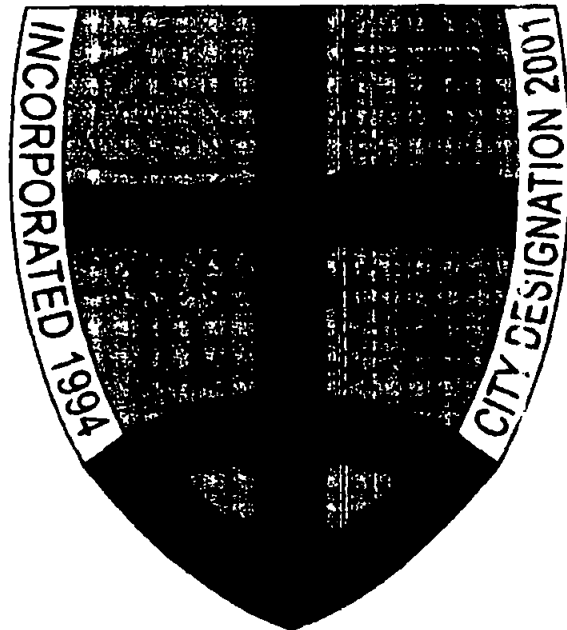


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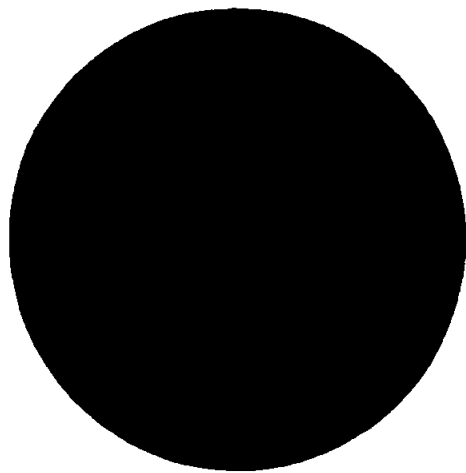
CITY OF ST. GABRIEL

2012

**For the fiscal
year ended
June 30th**



Introductory Section



CITY OF ST. GABRIEL, LOUISIANA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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City of St. Gabriel

Lionel Johnson, Jr.

Mayor

P.O. Box 597 • 5035 Iberville Street • St. Gabriel, LA 70776 • Tel.: (225) 642-9600 • Fax: (225) 642-0043 • Website: cityofstgabriel.us

Chief of Police:

Kevin Ambeau, Sr.

City Council:

Deborah Alexander • Flora Danielfield • Melvin Hasten, Sr. • Freddie Frazier • Ralph Johnson, Sr.

December 27, 2012

The Citizens,
The Mayor,
and Members of the City Council
City of St. Gabriel

Dear Citizens, Mayor, and Council Members:

Pursuant to Louisiana State Statutes, I hereby issue the Comprehensive Annual Financial Report (CAFR) for the City of St. Gabriel (the City) for the year ended June 30, 2012. The City Finance Department prepared this report in accordance with Generally Accepted Accounting Principles (GAAP). We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to set forth fairly the financial position and results of operations of the City as measured by the financial activities of its various funds and the government-wide presentation; and that disclosures necessary to enable readers to gain an understanding of City financial affairs have been included. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with management of the City.

The City financial statements have been audited by Postlethwaite & Netterville, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit that there was a reasonable basis for rendering an unqualified opinion that the City of St. Gabriel's financial statements for the fiscal year ended June 30, 2012, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first document of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of St. Gabriel was incorporated as a town in 1994, and received city designation in 2001. It is located in Iberville Parish, on the Mississippi River, with the historic Bayou Manchac serving as the official boundary between St. Gabriel, Ascension Parish, and East Baton Rouge Parish. The City currently occupies a land area of 29 square miles and serves an estimated population of 6,677 according to the U.S. Census as of 2010. The population reflects a growth of more than 20% from the 2000 U.S. Census.

The City follows the provisions of the Lawrason Act as provided by Louisiana Law. The City has seven elected officials comprised of a Mayor, five City Council members and one Chief of Police that serve four year terms. Policy making and legislative authority are vested in a governing council consisting of five council members. The Council is responsible, among other things, for passing ordinances, adopting the budget and appointing committees. The Mayor is the chief executive officer of the City. The Chief of Police is responsible for administration of the City's law enforcement services. Finally, the City Clerk is appointed by the Mayor and approved by the City Council.

The City provides a full range of services to the public including infrastructure maintenance and construction, public safety, social and recreational services, and general administrative services.

A determination of the financial reporting entity to be included in this CAFR is made through the application of criteria established by the Governmental Accounting Standards Board (GASB), Statement No. 14. A complete explanation of the financial reporting entity is included in the Summary of Significant Accounting Policies in the Notes to the Financial Statements.

An explanation of the accounting policies of the City is contained in the Notes to the Financial Statements. The basis of accounting, fund structure, and other significant information on financial policies are explained in detail in the Notes to the Financial Statements.

Budgetary Control

The annual budget serves as the foundation for the City's financial planning and control. The annual operating budget is proposed by the Mayor and enacted by the City Council. The City Council is required to adopt the final budgets no later than June 30th of each year. Budgets are adopted at the fund and department level. Budgetary transfers across department lines or between classes of lump sum appropriations require approval of the City Council. Additional details on the budget process are explained in the Notes to the Financial Statements

Budget-to-actual comparisons are provided in this report for each individual governmental fund in Exhibits B through B-3

The Finance Department is entrusted with maintaining accounting systems for the City in accordance with the best-recognized practices in governmental accounting. It keeps the records for, and exercises financial and budgetary control over, each City department, office, and agency.

In developing and evaluating the accounting system of the City, the Finance Department considers the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from an unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of control should not exceed benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the City government is responsible for ensuring that adequate internal controls are in effect. All internal control evaluations occur within the framework described. The Finance Department believes that the internal controls for the City adequately safeguard assets and provide reasonable assurance of the proper recording of financial transactions.

FACTORS AFFECTING FINANCIAL CONDITION

Economic Condition and Outlook

St. Gabriel is located in the Baton Rouge metropolitan area. The City of Baton Rouge is the state capital and the closest large Metropolitan Statistical Area (MSA) to New Orleans. Because of the proximity to New Orleans, the Baton Rouge MSA initially absorbed nearly a quarter million south Louisiana residents in the aftermath of Hurricane Katrina in 2005. Since then, traffic counts, sales tax collections, school enrollment and other factors indicate that the region's population is growing.

St. Gabriel is located on the Mississippi River in the southeast region of the state and is a major center for commerce and industry. The largest taxpayers in St. Gabriel are primarily companies involved in the petrochemical and energy sectors. Products range from refined chemicals, household products and plastic materials. The local industry provides the majority of the jobs within the City. The taxes paid by local industry are significant to the City's tax base and local economy. Because of an increase in capital acquisition and proposed construction in the petrochemical industry, the City expects to maintain a stable level of property and sales tax collections through 2013.

General sales and use tax revenues in 2012 for operations of the City were approximately \$833,000 more than the 2011 revenues, representing a 29% increase. The general sales and use tax plays a significant role in financing the operations of the General Fund, representing more than 49% of available resources.

During 2012 the City had employed labor of approximately 5,900 with an unemployment rate of 10.7% and a current median household income of \$41,200 and age of 38.

The City provides some source of housing to the Baton Rouge MSA with 1,184 household units in the 2010 census with a median value of \$88,300. Other important industries include government, construction, transportation, real estate and retail trade.

Major Initiatives in 2013

The City is in the preliminary stages of planning for various capital outlay projects with an estimated cost of over \$30 million, to include sewer system expansions and improvements, road repairs and improvements, drainage improvements, and the construction of sidewalks. The City has budgeted approximately \$8.2 million for these projects in fiscal year 2013. These projects will be funded by public improvement bonds issued by the City.

LONG-TERM FINANCIAL PLANNING

As stated above, the City has planned capital initiatives in excess of \$30 million. These projects address immediate and anticipated needs of the City and its growing population. These projects range in nature and scope and the City's administration has ranked them to establish the priority for which they will be addressed.

Road and Drainage Improvements Projects

The City has the responsibility to maintain approximately 17 miles of roads and the related drainage. The City administration has identified 13 roadways in need of reconstruction or repair. These projects have an estimated construction cost of over \$17 million. Additionally, the City has identified several roads which would benefit from covered drainage and culverts. These projects have an estimated cost of more than \$7.5 million. Due to the significant amount of resources required to accomplish all of these projects, the City has elected to accomplish in phases. Both the highway improvements and sidewalks projects will be funded by the City's local resources and public improvement bonds issued by the City.

Sewer Improvements Project

Due to the increased population, the City's sewer utility systems are in need of expanded capacity. The total estimated cost to expand all sewer systems to their needed capacity is projected to be approximately \$7 million. The improvements will be funded by the City's local resources and public improvement bonds issued by the City in 2012.

ACKNOWLEDGMENTS


The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Reporting to the City of St. Gabriel for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2011, as well as 2010. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government accounting principles and applicable legal requirements.

In order to be awarded a Certificate of Achievement for excellence in Financial Reporting by GFOA, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report with contents conforming with standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

The City has received this award each year of the two year period ended June 30, 2011. Certificate of Achievement is valid for a period of one year only. We believe our current report conforms to the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this report on a timely basis could not have been accomplished without the dedicated services of a highly qualified staff. I also acknowledge the thorough, professional, and timely manner in which the audit was conducted by our independent auditors, Postlethwaite & Netterville, LLC, and our financial and accounting consultants, Faulk & Winkler, LLC. We thank the Mayor and City Council for their support of excellence in financial reporting and fiscal integrity.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Tammy Phillips', with a stylized flourish at the end.

Tammy Phillips
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of St. Gabriel
Louisiana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Christopher P. Mosiell

President

Jeffrey R. Egan

Executive Director

**CITY OF ST. GABRIEL
PRINCIPAL OFFICIALS
JUNE 30, 2012**

MAYOR

Lionel Johnson, Jr.

COUNCIL MEMBERS

Deborah R. Alexander

Flora J. Danielfield

Freddie C. Frazier, Sr.

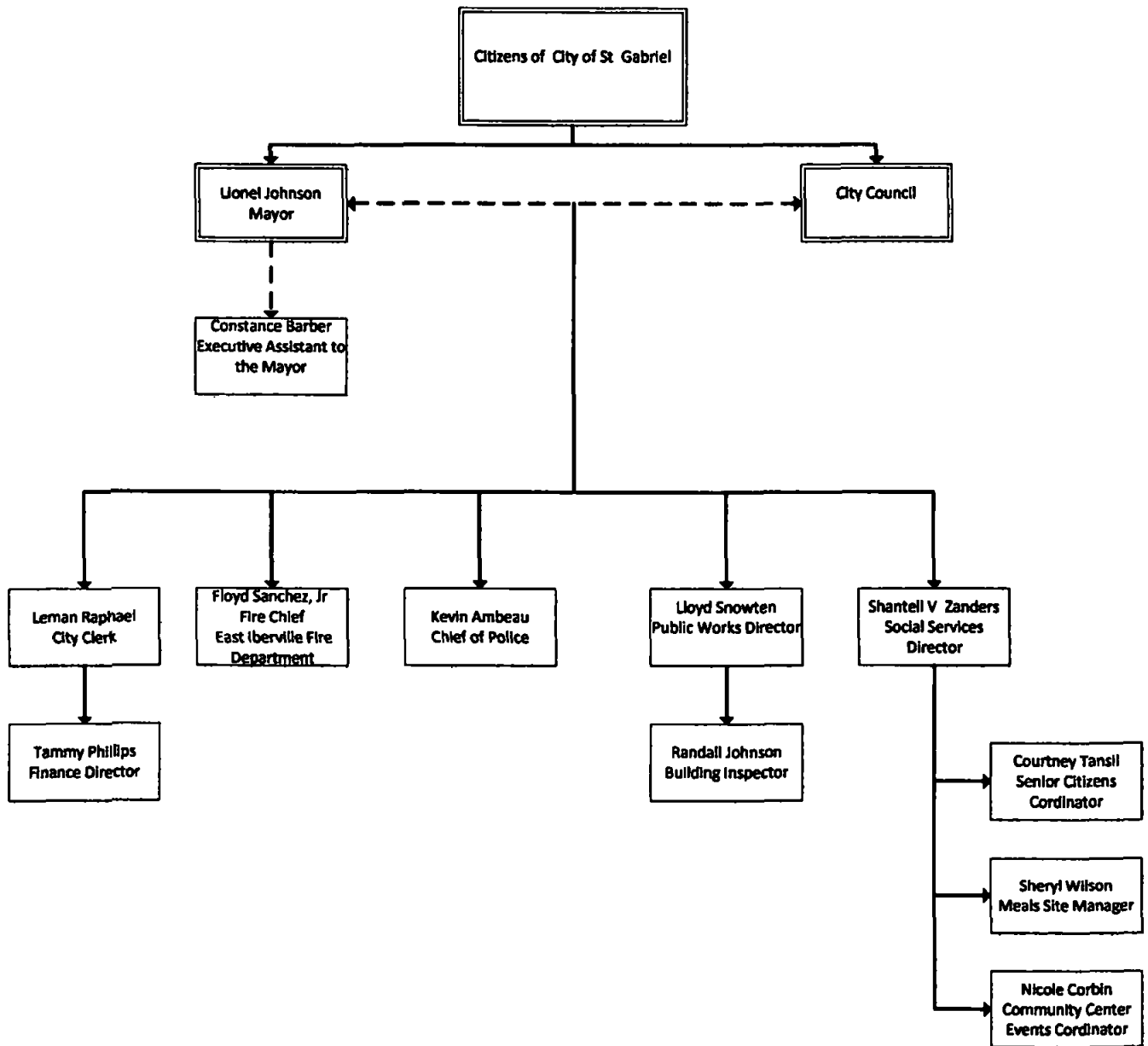
Melvin Hasten, Sr.

Ralph Johnson, Sr.

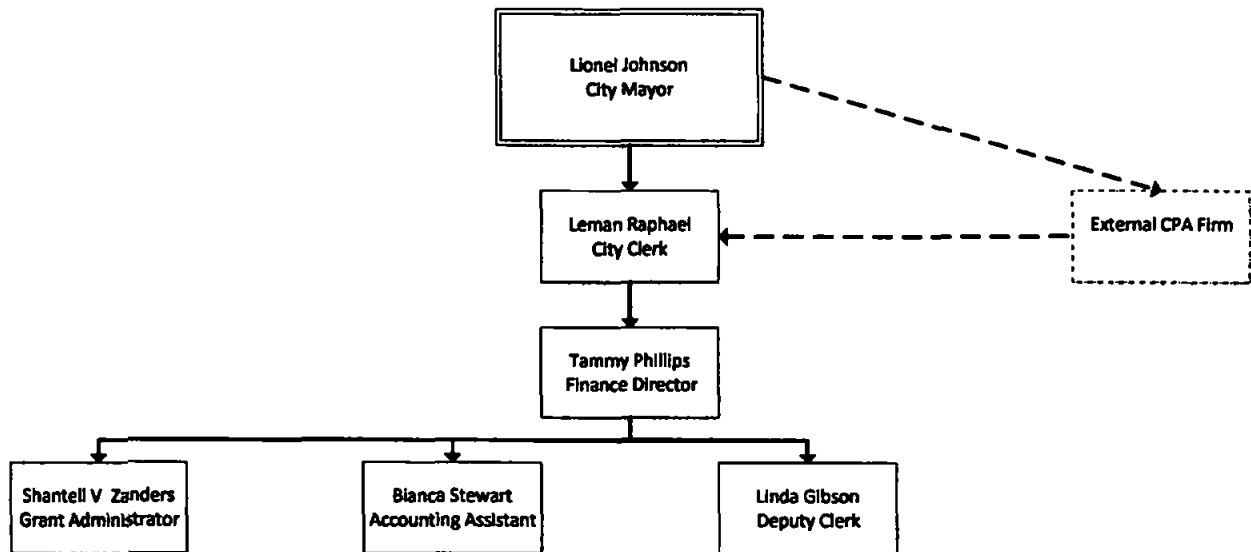
CHIEF OF POLICE

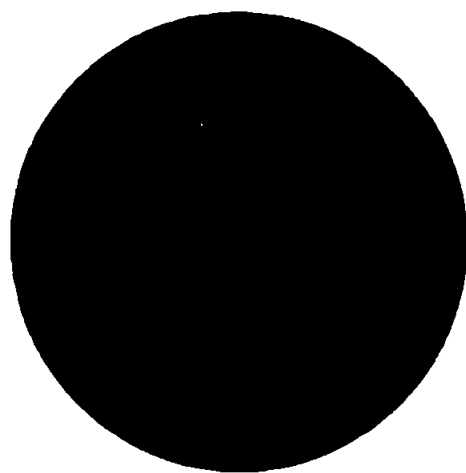
Kevin Ambeau

**CITY OF ST. GABRIEL
ORGANIZATIONAL CHART
PRIMARY GOVERNMENT***



**CITY OF ST GABRIEL
ORGANIZATIONAL CHART
CITY CLERK'S OFFICE***

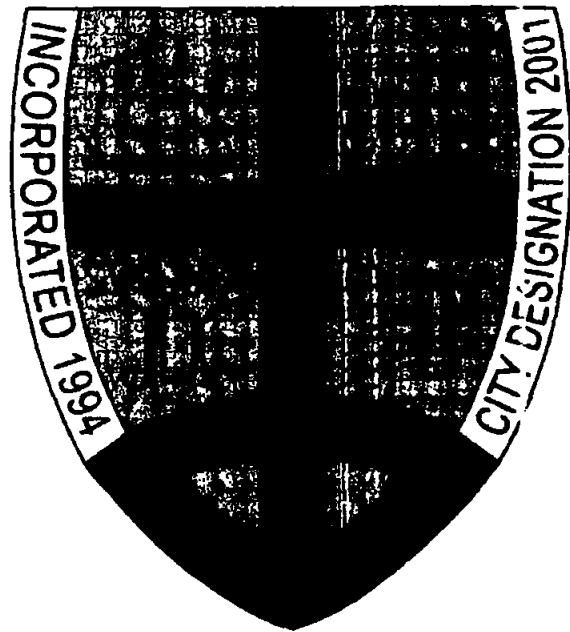




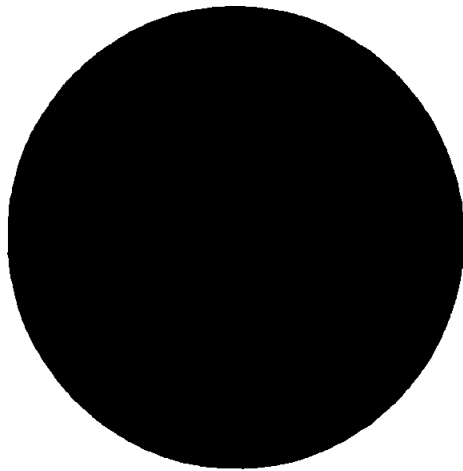
CITY OF ST. GABRIEL

2012

**For the fiscal
year ended
June 30th**



**Financial
Section**



INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and
City Council Members
City of St. Gabriel, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of St. Gabriel (the City), as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of St. Gabriel, Louisiana's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the City of St. Gabriel, Louisiana, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

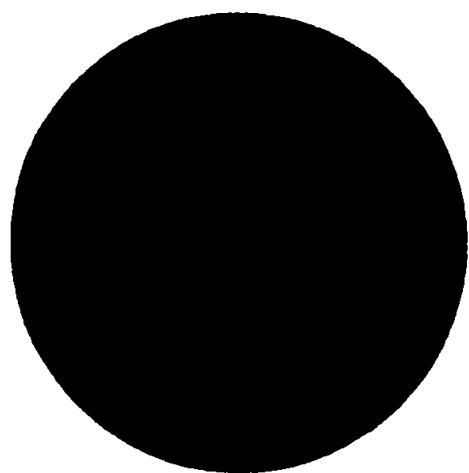
In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2012, on our consideration of the City of St. Gabriel, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

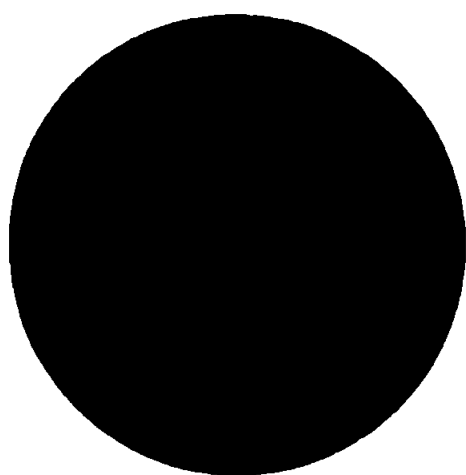
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 14 and 53 through 55 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considered it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of St. Gabriel, Louisiana's basic financial statements as a whole. The introductory section, combining individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



December 31, 2012
Gonzales, Louisiana





CITY OF ST. GABRIEL, LOUISIANA MANAGEMENT'S DISCUSSION AND ANALYSIS

Our analysis of The City of St. Gabriel's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2012. Please read it in conjunction with the City's financial statements which begin on page 15. The Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts.

FINANCIAL HIGHLIGHTS

In 2012, the City of St. Gabriel had governmental revenues increased relative to prior years, with governmental expenditures also increasing. All City funds continue to be maintained with sufficient fund balance that represents adequate net worth. Although community demands have increased with the growing population, the City has been responsible with its available resources.

The major financial highlights for 2012 are as follows:

- Assets of the City's primary government exceeded its liabilities at the close of the year by approximately \$12 million (net assets). Of this amount, approximately \$335,000 (unrestricted net assets) may be used without restrictions to meet the City's ongoing obligations to citizens and creditors.
- The primary government's total net assets increased by approximately \$2,005,000 during 2012
- Governmental activities' net assets increased by approximately \$1,220,000, primarily the result of an increase in sales tax revenue and a decrease in general governmental expenses.
- Business type total net assets increased by approximately \$785,000.
- As of the end of the year, the primary government's governmental funds reported combined fund balances of \$11.5 million, an increase of \$9 million in comparison to the prior year. This was primarily the result of an \$8.8 million bond issuance.

Significant aspects of the City's financial well being, as of and for the year ended June 30, 2012, are detailed throughout this analysis.

USING THIS ANNUAL REPORT

With the implementation of Governmental Accounting Standards Board Statement No 34, a government's presentation of financial statements has greatly changed. The new statements focus on the government as a whole and on major individual funds. Both perspectives allow the reader to address relevant questions, broaden a basis for comparison from year to year and should enhance the City's accountability.

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 15 and 16) provide information about the activities of the City as a whole and present a longer-term view of the City's finances.

Fund financial statements start on page 18. For governmental activities, these statements depict how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds

Our auditor has provided assurance in their independent auditors' report, located immediately preceding this MD&A, that the financial statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the required supplemental information and the supplemental information. A user of this report should read the independent auditors' report carefully to ascertain the level of assurance being provided for each part of this report.

Reporting on the City as a Whole

Our analysis of the City as a whole begins on page 15. The Statement of Net Assets and the Statement of Activities report information about the City as a whole and about its activities in a way to determine if the City is in better condition as a result of the year's financial results. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to accounting methods used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods.

These two statements report the City's net assets and related changes. You can think of the City's net assets—the difference between assets and liabilities—as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the City's property and sales tax base and the condition of the City's roads and buildings, to assess the overall health of the City.

In the Statement of Net Assets and the Statement of Activities, we divide the City into two kinds of activities:

Governmental activities - Most of the City's basic services are reported here, including public safety, streets and sanitation, culture and recreation, and general administration. Property and sales taxes, charges for services, and state and federal grants finance most of these activities.

Business-type activities - The City charges a fee to customers to help it cover the cost of certain services it provides. The City maintains a wastewater treatment system which is reported here. The shortfall of revenue from this activity has been funded from sales tax collections.

The analysis below of the primary government focuses on the net assets and change in net assets of the City's governmental and business-type activities.

City of St. Gabriel, Louisiana

Statement of Net Assets

June 30, 2012 and 2011

(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$12,321	\$ 3,105	\$ 80	\$ (35)	\$12,401	\$ 3,070
Capital assets	7,366	6,913	8,968	8,177	16,334	15,090
Total assets	<u>19,687</u>	<u>10,018</u>	<u>9,048</u>	<u>8,142</u>	<u>28,735</u>	<u>18,160</u>
Current and other liabilities	750	586	187	21	937	607
Long-term liabilities	12,913	4,581	2,945	2,990	15,858	7,571
Total liabilities	<u>13,663</u>	<u>5,167</u>	<u>3,132</u>	<u>3,011</u>	<u>16,795</u>	<u>8,178</u>
Net assets:						
Invested in capital assets,						
net of related debt	2,850	2,332	6,024	5,187	8,874	7,519
Restricted	2,469	1,614	153	142	2,622	1,756
Unrestricted	705	858	(261)	(198)	444	660
Total net assets	<u>\$ 6,024</u>	<u>\$ 4,804</u>	<u>\$ 5,916</u>	<u>\$ 5,131</u>	<u>\$11,940</u>	<u>\$ 9,935</u>

At June 30, 2012, the City's net assets were \$12 million, of which \$444,000 was unrestricted. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation that limits the City's ability to use those net assets for day-to-day operations.

Net assets of the City's governmental activities increased by approximately \$1,220,000 during 2012, ending the year with unrestricted net assets of \$705,000. The increase in governmental net assets was primarily due to an increase in sales tax revenues and slight decreases in governmental expenditures. Unrestricted net assets, which decreased by \$153,000, represent the portion of the City's resources that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements.

The \$705,000 in governmental activities unrestricted net assets at the completion of the 2012 fiscal year represents the accumulated results of operations. It means that if we had to pay off all of the debt, we would have \$705,000 remaining. The changes in net assets are discussed later in this analysis.

The City operates wastewater treatment systems for its constituents. The principal focus of this activity is to operate on a profitable basis. For the current and past several years, the City has been required to subsidize these operations with sales and use tax collections to eliminate operating deficits. The subsidy was decreased by approximately \$85,000 to \$715,000 in 2012. The net assets of the City's business activities increased by approximately \$785,000 during 2012. This increase is primarily related to a capital grant in the amount of \$850,000 for sewer system improvements.

(Continued)

The results of this year's operations for the primary government as a whole as reported in the Statement of Activities, are as follows:

City of St. Gabriel, Louisiana						
Changes in Net Assets						
For the years ended June 30, 2012 and 2011						
(in thousands)						
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services	\$ 850	\$ 859	\$ 126	\$ 115	\$ 976	\$ 974
Operating grants	96	73	-	-	96	73
Capital grants	450	90	850	-	1,300	90
General revenues:						
Ad valorem taxes	2,708	2,500	-	-	2,708	2,500
Sales taxes	3,704	2,872	-	-	3,704	2,872
Video poker taxes	584	513	-	-	584	513
Other general revenues	<u>97</u>	<u>557</u>	<u>-</u>	<u>6</u>	<u>97</u>	<u>563</u>
Total revenues	<u>8,489</u>	<u>7,464</u>	<u>976</u>	<u>121</u>	<u>9,465</u>	<u>7,585</u>
Functions/Program Expenses:						
General government	2,213	2,570	-	-	2,213	2,570
Public safety	1,835	1,933	-	-	1,835	1,933
Streets and sanitation	1,358	1,717	-	-	1,358	1,717
Culture and recreation	655	783	-	-	655	783
Economic development	250	-	-	-	250	-
Wastewater treatment	-	-	906	928	906	928
Interest on long-term debt	<u>243</u>	<u>203</u>	<u>-</u>	<u>-</u>	<u>243</u>	<u>203</u>
Total expenses	<u>6,554</u>	<u>7,206</u>	<u>906</u>	<u>928</u>	<u>7,460</u>	<u>8,134</u>
Increase (decrease) in net assets						
before transfers	1,935	258	70	(807)	2,005	(549)
Transfers	<u>(715)</u>	<u>(800)</u>	<u>715</u>	<u>800</u>	<u>-</u>	<u>-</u>
Change in net assets	1,220	(542)	785	(7)	2,005	(549)
Beginning net assets, as restated	<u>4,804</u>	<u>5,346</u>	<u>5,131</u>	<u>5,137</u>	<u>9,935</u>	<u>10,483</u>
Ending net assets	<u>\$ 6,024</u>	<u>\$ 4,804</u>	<u>\$ 5,916</u>	<u>\$ 5,130</u>	<u>\$11,940</u>	<u>\$ 9,934</u>

The increase in net assets of approximately \$2 million is due mainly to the increase in sales tax revenue and decrease in expenditures of the governmental activities. These results were also discussed in the previous section.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. The focus is now on major funds, rather than generic fund types.

Reporting the City's Most Significant Funds

An analysis of the City's major funds begins on page 18 with the fund financial statements that provide detailed information about the most significant funds and not the City as a whole. Some funds are required to be established by State law or by bond covenants. However, the City Council establishes other funds to control and manage financial resources for particular purposes or meeting legal responsibilities for using certain taxes, grants, and other assets. The City's two kinds of funds, governmental and proprietary, use different accounting bases.

Governmental funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Most of the City's basic services are reported in governmental funds. These funds use the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation to the financial statements. The governmental major funds (Exhibits A-2 and A-4) presentation is presented using modified accrual basis and focuses on the major funds of the City.

Proprietary funds - When the City charges customers for the services it provides—whether to outside customers or to other units of the City—these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the City's enterprise funds are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are a required part of the basic financial statements and can be found in Exhibit A-9.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning original and final budgetary comparisons to actual results for the year for the City's major funds. See Exhibit B through B-3.

Certain supplementary financial information can be found in Exhibits C and C-1. These schedules are included for additional information and analysis and do not constitute a part of the basic financial statements.

Financial Analysis of the Government's Funds

The general government operations of the City are accounted for in the General Fund, Special Revenue Funds, Capital Project Funds, and Debt Service Funds. The focus of these funds, as noted earlier, is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. The following is a summary of general governmental operations for 2012 by fund type:

	(in thousands)				
	2012				2011
	General	Special	Capital		
	Fund	Revenue	Project	Totals	Totals
		Funds	Fund		
Revenue & other financing sources	\$ 7,526	\$ 1,052	\$ 9,535	\$ 9,880	\$ 8,382
Expenditures & other financing uses	7,212	1,004	919	9,135	8,744
Surplus (deficit)	314	48	8,616	8,978	(362)
Fund balance,					
June 30 2011, as restated	2,202	283	-	2,485	2,894
Fund balance,					
June 30, 2012	\$ 2,516	\$ 331	\$ 8,616	\$ 11,463	\$ 2,532

The City's governmental funds experienced a surplus of approximately \$9 million during 2012. At year end, fund balances were approximately \$11.5 million. Approximately \$789,000 is unassigned and available for utilization at the City's discretion. The remainder of the fund balance has been restricted, committed, or classified as nonspendable. These classifications and restrictions are for debt service, infrastructure and maintenance, public improvements, and assets such as prepaid insurance, which cannot be used for other purposes.

The General Fund is the chief operating fund of the City. At the end of the fiscal year, fund balance of the General Fund was approximately \$2.5 million compared to the fund balance of \$2.2 million at 2011. The increase in fund balance resulted from the operating surplus of \$314,000, which is \$618,000 more than the \$304,000 deficit budgeted by the City. This variation is primarily due to the budgeted revenue from sales tax exceeding expectations.

The City's other major funds are the Civic Center Operating Fund, the Code Enforcement Grant Fund, and the Capital Projects Fund. The Civic Center Operating Fund realized an operating deficit of approximately \$364,000, before transfers in. After transfers, the Civic Center Operating Fund completed the year with a surplus of approximately \$36,000, which is a decrease from the prior year's surplus of approximately \$85,000. The Code Enforcement Grant Fund also experienced a decrease in fund balance of \$90,000, which is less than the prior year's increase of approximately \$4,000; however, when consideration is given to the reduction of transfers in of \$60,000 compared to the prior year, overall operating results decreased slightly during 2012.

Sources of governmental revenues, excluding transfers, are summarized below.

<u>Source of Revenue</u>	(in thousands)			
	2012		2011	
	Revenue	Percent	Revenue	Percent
Taxes	\$ 6,453	76%	\$ 5,413	75%
Intergovernmental	1,130	13%	655	9%
Licenses and permits	327	4%	265	4%
Fines	418	5%	485	7%
Miscellaneous	160	2%	385	5%
Total	\$ 8,488	100%	\$ 7,203	100%

Revenues of the primary government for general governmental fund types for 2012 totaled \$8.5 million, compared with \$7.2 million for the previous year, representing nearly a \$1.3 million or 18% increase. The increase in revenue of \$1.3 million is primarily due to increases in sales and use taxes collected. As noted above, the City's activities are largely supported by tax revenues, which represent 76% of total governmental resources.

Approximately \$3.8 million of the \$8.5 million of governmental revenues in 2012 were for dedicated purposes. The remaining \$4.7 million, generated in the General Fund, were available to fund a number of City services, such as the streets and sanitation department, public safety, social and recreational services and City administrative functions.

The expenditures of the primary government increased by approximately \$888,000 in 2012. General governmental expenditures for each major function are summarized in the following table.

<u>Function</u>	(in thousands)			
	2012		2011	
	<u>Expenditure</u>	<u>Percent</u>	<u>Expenditure</u>	<u>Percent</u>
General government	\$ 1,977	28%	\$ 2,309	32%
Public safety	1,717	24%	1,842	25%
Streets and sanitation	1,263	18%	1,675	23%
Social and recreational services	522	7%	652	9%
Economic development	250	4%	-	0%
Debt service	264	4%	273	4%
Capital outlay	1,049	15%	474	7%
Total	<u>\$ 7,042</u>	<u>100%</u>	<u>\$ 7,225</u>	<u>100%</u>

The largest increase in spending occurred in capital outlay of \$575,000 due to infrastructure additions and equipment purchases.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year the City's General Fund's budget was amended on several occasions. The amendment of the operating and capital budgets is a customary practice of the City and is reflective of the change that occurs with financial related matters throughout the fiscal year. The most significant change during 2012 was as follows:

- To reflect increased tax revenues and decreases in revenue related to licenses and permits and traffic fines.
- To reflect decreases in expenditures, primarily in general government and social and recreational services.

With these adjustments, the actual charges to appropriations (expenditures) were \$66,000 more than the related final budget appropriations of \$5 million. The most significant negative variance occurred in the City's capital outlay and economic development functions, where expenditures were \$94,000 and \$250,000 respectively, more than anticipated expenditures. The capital outlay cost overruns were primarily related to professional services and equipments purchases, while the economic development overruns were related to the retiring of an agreement executed in a prior year. The general government also incurred a small negative variance of approximately \$36,000.

The City experienced decreased expenditures from the prior year in all departments. In particular, general government and streets and sanitation expenditures decreased significantly.

The operating surplus in the General Fund for 2012 was \$314,000 and the related fund balance was \$2.5 million at year end.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2012, the City had approximately \$16.3 million invested in a broad range of capital assets, including vehicles, fire equipment, computer equipment, office furniture, land, buildings, park facilities, roads, and sewer treatment systems. This amount represents a net increase of approximately \$1.2 million, or 8 percent more than last year.

(in thousands)						
	Governmental Activities		Business-type Activities		Totals	
	2012	2011	2012	2011	2012	2011
Land	\$ 442	\$ 442	\$ 60	\$ 60	\$ 502	\$ 502
Construction in progress	144	96	1,115	55	1,259	151
Buildings	4,616	4,761	-	-	4,616	4,761
Equipment and vehicles	627	617	-	-	627	617
Sewer treatment plants	-	-	7,793	8,062	7,793	8,062
Infrastructure	1,537	997	-	-	1,537	997
Total assets, net of depreciation	<u>\$ 7,366</u>	<u>\$ 6,913</u>	<u>\$ 8,968</u>	<u>\$ 8,177</u>	<u>\$ 16,334</u>	<u>\$ 15,090</u>

More detailed information about the City's capital assets as well as information on the City's capital projects is presented in Note 5 to the financial statements. The City had \$2,119,000 in capital additions during 2012. These capital outlays were primarily related to improvements made to roads and sewer facilities (\$1,797,000) and equipment and vehicles purchased (\$298,000). Depreciation expense of the City's assets of \$861,000 resulted in a net increase in capital assets of \$1.2 million.

The City is primarily responsible for approximately 17 miles of roads.

Debt

At year-end, the City had \$15.9 million in bonds and notes outstanding versus \$7.6 million last year—an increase of \$8.3 million — as shown below:

	(in thousands)			
	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Capital projects	\$ -	\$ 8,830	\$ -	\$ 8,830
Bond discount	-	(432)	-	(432)
Public improvement	4,581	-	65	4,516
Revenue bonds	2,990	-	46	2,944
	<u>\$ 7,571</u>	<u>\$ 8,398</u>	<u>\$ 111</u>	<u>\$ 15,858</u>

The City paid off and remained current on all bonds and notes outstanding. The City retired approximately \$111,000 in debt during 2012.

The State of Louisiana limits the amount of general obligation debt that municipalities can issue to 35 percent of the assessed value of all taxable property within the City's corporate limits. The City's outstanding general obligation debt is significantly below this \$55 million state-imposed limit. More detailed information about the City's long-term liabilities is presented in Note 6 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The City's elected and appointed officials considered many factors when setting the fiscal-year 2013 budget and tax rates. One of those factors is the economy. The largest taxpayers in the City are primarily companies involved in the petrochemical processing sector. These companies are significantly impacted by the increasing cost of fuel, including natural gas. With the high price of fuel in recent years, these companies have experienced financial difficulty resulting in reduction of personnel staffing and the rate of plant expansion, if any. As a result, the local economy has been impacted by the financial concerns of this major industry in the City.

For 2013, revenues and other financing sources are budgeted at \$8 million while expenditures are expected to be \$16.5 million. If these estimates are realized, the City's budgetary fund balances are expected to decrease by the close of 2013 by \$8.5 million.

An important factor affecting the budget is the City's ad valorem and sales tax collections that approximate 75% of 2013 budgeted operating revenue. The City budgeted an increase of approximately 5% in sales tax collections in 2013. Additionally, the 2013 operating budget expenditures provides for increases in streets and sanitation of 11%, mainly in personnel and equipment rental costs. General government expenditures are budgeted to increase by 11% due primarily to increases in personnel costs.

These indicators were taken into account when adopting the General Fund budget for 2013. Property taxes are expected to increase approximately 6% during 2013. The taxes are expected to fund operations of the City's governmental operations, the Civic Center, including debt service, sewer operations, and economic development projects. Traffic tickets and fines are projected to remain the same for 2013. The City will use these revenues to fund the City's Police Department.

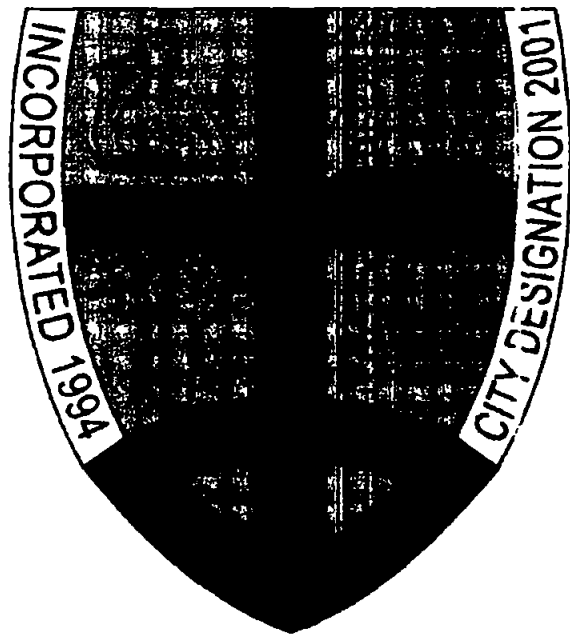
Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show accountability for the money it receives. If you have questions about this report or need additional financial information, contact Tammy Phillips with the City's Finance Office at (225) 642-9600 or 5035 Iberville Street, St. Gabriel, Louisiana, 70776.

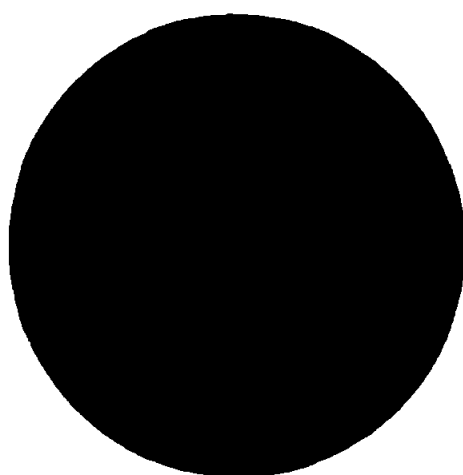
CITY OF ST. GABRIEL

2012

**For the fiscal
year ended
June 30th**



**Basic Financial
Statements**



CITY OF ST. GABRIEL, LOUISIANA
STATEMENT OF NET ASSETS

June 30, 2012

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 10,174,153	\$ 8,542	\$ 10,182,695
Accounts receivable, net	16,366	11,212	27,578
Due from other governments	904,001	8,395	912,396
Prepaid items	109,160	-	109,160
Internal balances	102,481	(102,481)	-
Restricted assets	850,692	153,384	1,004,076
Deferred bond issuance costs	164,802	-	164,802
Capital assets:			
Non-depreciable	586,204	1,175,659	1,761,863
Depreciable, net	6,779,503	7,792,730	14,572,233
Total assets	\$ 19,687,362	\$ 9,047,441	\$ 28,734,803
LIABILITIES			
Accounts payable	\$ 506,473	\$ 178,472	\$ 684,945
Accrued payables	152,625	8,611	161,236
Deferred revenue - revolving loans	90,496	-	90,496
Long-term payables			
Due within one year	307,938	47,502	355,440
Due in more than one year	12,605,550	2,896,920	15,502,470
Total liabilities	13,663,082	3,131,505	16,794,587
NET ASSETS			
Investment in capital assets, net of related debt	2,850,104	6,023,967	8,874,071
Restricted for:			
Infrastructure and maintenance	1,040,830	-	1,040,830
Public improvements	577,381	-	577,381
Debt service	850,692	153,384	1,004,076
Unrestricted (deficit)	705,273	(261,415)	443,858
Total net assets	6,024,280	5,915,936	11,940,216
Total liabilities and net assets	\$ 19,687,362	\$ 9,047,441	\$ 28,734,803

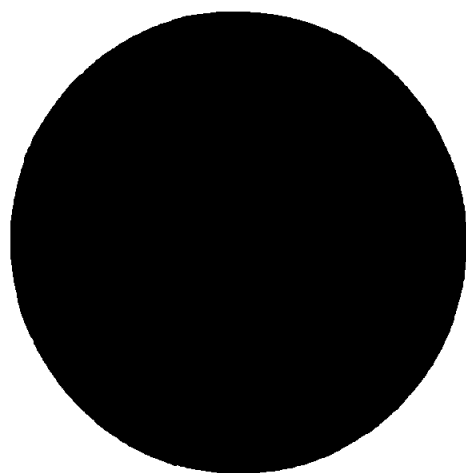
Notes on Exhibit A-9 are an integral part of this statement

CITY OF ST. GABRIEL, LOUISIANA
STATEMENT OF ACTIVITIES

For the year ended June 30, 2012

	Program Revenues				Net (Expenses) Revenue and Changes in Net Assets	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
Functions/Programs						
Primary government:						
Governmental activities						
General government	\$ 2,213,012	\$ 413,232	\$ -	\$ -	\$ (1,799,780)	\$ -
Public safety	1,835,042	418,073	96,225	-	(1,320,744)	-
Streets and sanitation	1,357,843	-	-	449,543	(908,300)	-
Culture and recreation	655,357	18,252	-	-	(637,105)	-
Economic development	250,000	-	-	-	(250,000)	-
Interest on long-term debt	242,415	-	-	-	(242,415)	-
Total governmental activities	<u>6,553,669</u>	<u>849,557</u>	<u>96,225</u>	<u>449,543</u>	<u>(5,158,344)</u>	<u>-</u>
Business-type activities						
Waste water treatment facilities	905,968	125,842	-	850,000	-	69,874
Total business-type activities	<u>905,968</u>	<u>125,842</u>	<u>-</u>	<u>850,000</u>	<u>-</u>	<u>69,874</u>
Total primary government	<u>\$ 7,459,637</u>	<u>\$ 975,399</u>	<u>\$ 96,225</u>	<u>\$ 1,299,543</u>	<u>(5,158,344)</u>	<u>69,874</u>
General revenues						
Taxes						
Ad valorem					2,707,963	-
Sales					3,704,273	-
Video Poker					584,481	-
Other					40,271	-
Grants and contributions not restricted to specific programs					12,071	-
Investment earnings					901	81
Gain on sale of capital assets					28,886	-
Proceeds from insurance					15,054	-
Transfers					(715,000)	715,000
Total general revenues and transfers					<u>6,378,900</u>	<u>715,081</u>
Change in net assets					1,220,556	784,955
Net assets - beginning of year, as restated					<u>4,803,724</u>	<u>5,130,981</u>
Net assets - end of year					<u>\$ 6,024,280</u>	<u>\$ 5,915,936</u>
						<u>\$ 11,940,216</u>

Notes on Exhibit A-9 are an integral part of this statement.



CITY OF ST. GABRIEL, LOUISIANA

BALANCE SHEETS
GOVERNMENTAL FUNDS

June 30, 2012

	General	Civic Center Operating Fund	Code Enforcement Grant	Capital Projects Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 2,016,122	\$ 21,327	\$ 65,731	\$ 8,070,973	\$ 10,174,153
Receivables, net	14,141	2,225	-	-	16,366
Due from other governments	695,897	99,113	108,991	-	904,001
Prepaid items	109,160	-	-	-	109,160
Restricted cash	72,803	176,003	-	601,886	850,692
Due from other funds	170,000	-	-	52,481	222,481
Total assets	\$ 3,078,123	\$ 298,668	\$ 174,722	\$ 8,725,340	\$ 12,276,853
LIABILITIES					
Accounts payable	\$ 383,444	\$ 11,451	\$ 2,147	\$ 109,431	\$ 506,473
Accrued expenses	88,311	6,382	2,299	-	96,992
Due to other fund	-	120,000	-	-	120,000
Deferred revenue - loans	90,496	-	-	-	90,496
Total liabilities	\$ 562,251	\$ 137,833	\$ 4,446	\$ 109,431	\$ 813,961
FUND EQUITY					
Fund Balances					
Nonspendable	109,160	-	-	-	109,160
Restricted for					
Infrastructure and maintenance	1,040,830	-	-	8,014,023	9,054,853
Public improvements	577,381	-	-	-	577,381
Debt service	-	160,835	-	601,886	762,721
Committed for code enforcement	-	-	170,276	-	170,276
Unassigned	788,501	-	-	-	788,501
Fund balance	2,515,872	160,835	170,276	8,615,909	11,462,892
Total liabilities and fund balance	\$ 3,078,123	\$ 298,668	\$ 174,722	\$ 8,725,340	\$ 12,276,853

Notes on Exhibit A-9 are an integral part of this statement.

CITY OF ST. GABRIEL, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS

June 30, 2012

Total net assets reported for governmental activities in the statement of net assets are different because.

Total fund balances - governmental funds (Exhibit A-2)	\$	11,462,892
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds		7,365,707
Assets used in governmental activities that are not financial resources and, therefore, are not reported in the governmental funds		
Deferred bond issuance costs, net of accumulated amortization		164,802
Long-term liabilities (e g. bonds, leases), are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Accrued interest payable	\$	(55,633)
Bonds and capital lease payable		<u>(12,913,488)</u>
		<u>(12,969,121)</u>
Net assets of governmental activities (Exhibit A)	\$	<u>6,024,280</u>

Notes on Exhibit A-9 are an integral part of this statement.

CITY OF ST. GABRIEL, LOUISIANA

STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the year ended June 30, 2012

	General	Civic Center Operating Fund	Code Enforcement Grant	Capital Projects Fund	Total Governmental Funds
REVENUES					
Taxes					
Sales	\$ 3,704,273	\$ -	\$ -	\$ -	\$ 3,704,273
Ad valorem	2,707,963	-	-	-	2,707,963
Other	40,271	-	-	-	40,271
Intergovernmental	292,240	292,241	96,225	449,543	1,130,249
Licenses and permits	211,580	-	115,794	-	327,374
Fines	418,073	-	-	-	418,073
Other	136,353	23,205	-	280	159,838
Total revenues	<u>7,510,753</u>	<u>315,446</u>	<u>212,019</u>	<u>449,823</u>	<u>8,488,041</u>
EXPENDITURES					
Current function.					
General government	1,680,440	-	297,045	-	1,977,485
Public safety	1,717,357	-	-	-	1,717,357
Streets and sanitation	1,079,807	-	-	183,138	1,262,945
Social and recreational services	122,806	398,698	-	-	521,504
Economic development	250,000	-	-	-	250,000
Debt service	-	264,229	-	-	264,229
Capital outlay	269,063	1,754	42,311	735,932	1,049,060
Total expenditures	<u>5,119,473</u>	<u>664,681</u>	<u>339,356</u>	<u>919,070</u>	<u>7,042,580</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,391,280</u>	<u>(349,235)</u>	<u>(127,337)</u>	<u>(469,247)</u>	<u>1,445,461</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	400,000	125,000	852,073	1,377,073
Proceeds from debt	-	-	-	8,830,000	8,830,000
Bond issuance costs	-	-	-	(164,802)	(164,802)
Bond discount	-	-	-	(432,115)	(432,115)
Proceeds from insurance	15,054	-	-	-	15,054
Transfers out	(2,092,073)	-	-	-	(2,092,073)
Total other financing sources (uses)	<u>(2,077,019)</u>	<u>400,000</u>	<u>125,000</u>	<u>9,085,156</u>	<u>7,533,137</u>
Net change in fund balance	314,261	50,765	(2,337)	8,615,909	8,978,598
FUND BALANCE					
Beginning of year, as restated	<u>2,201,611</u>	<u>110,070</u>	<u>172,613</u>	<u>-</u>	<u>2,484,294</u>
End of year	<u>\$ 2,515,872</u>	<u>\$ 160,835</u>	<u>\$ 170,276</u>	<u>\$ 8,615,909</u>	<u>\$ 11,462,892</u>

Notes on Exhibit A-9 are an integral part of this statement.

CITY OF ST. GABRIEL, LOUISIANA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES**

For the year ended June 30, 2012

The change in net assets reported for governmental activities in the statement of activities is different because

Net change in fund balances - total governmental funds (Exhibit A-4) \$ 8,978,598

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation.

Capital outlay	\$ 1,049,060	
Depreciation expense	<u>(581,963)</u>	467,097

The effect of the disposal of capital assets decreases net assets

Loss on disposal of capital assets		(13,870)
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The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal and the effect of issuance costs and discounts when debt is first issued are expenditures in the governmental funds but reduces the liability in the statement of activities.

Proceeds from issuance of debt, net of discount	(8,397,885)	
Bond issuance costs	164,802	
Principal payments on debt	<u>65,035</u>	(8,168,048)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued interest payable, change during 2012		<u>(43,221)</u>
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Change in net assets of governmental activities (Exhibit A-1)		<u>\$ 1,220,556</u>
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**CITY OF ST. GABRIEL, LOUISIANA
PROPRIETARY FUND - SEWER FUND**

STATEMENT OF NET ASSETS

June 30, 2012

ASSETS

Current assets.

Cash and cash equivalents	\$ 8,542
Accounts receivable, net	11,212
Due from other governments	8,395
Restricted cash	<u>153,384</u>
Total current assets	<u>181,533</u>

Noncurrent assets

Capital assets	
Non-depreciable	1,175,659
Depreciable, net	<u>7,792,730</u>
Total noncurrent assets	<u>8,968,389</u>
Total assets	<u>\$ 9,149,922</u>

LIABILITIES

Current liabilities

Accounts payable	\$ 178,472
Accrued expenses	8,611
Due to other funds	102,481
Bonds payable	<u>47,502</u>
Total current liabilities	337,066

Noncurrent liabilities.

Bonds payable	<u>2,896,920</u>
Total liabilities	<u>3,233,986</u>

NET ASSETS

Investment in capital assets, net of related debt	6,023,967
Restricted for.	
Debt service	153,384
Unrestricted deficit	<u>(261,415)</u>
Total net assets	<u>5,915,936</u>
Total liabilities and net assets	<u>\$ 9,149,922</u>

Notes on Exhibit A-9 are an integral part of this statement.

**CITY OF ST. GABRIEL, LOUISIANA
 PROPRIETARY FUND - SEWER FUND
 STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN NET ASSETS**

For the year ended June 30, 2012

OPERATING REVENUES	
Charges for services	<u>\$ 125,842</u>
OPERATING EXPENSES	
Personnel	242,808
Depreciation	278,603
Maintenance	139,406
Utilities	67,239
Supplies	15,551
Chemicals	7,924
Vehicle fuel	5,947
Insurance	5,283
Professional services	2,401
Other	<u>8,430</u>
Total operating expenses	<u>773,592</u>
Operating loss	(647,750)
NON-OPERATING REVENUES	
Interest income	81
NON-OPERATING EXPENSES	
Interest expense	<u>(132,376)</u>
Loss before capital grants and transfers	(780,045)
Capital grant revenue	850,000
Transfers in	<u>715,000</u>
Net income	784,955
NET ASSETS	
Beginning of year	<u>5,130,981</u>
End of year	<u>\$ 5,915,936</u>

Notes on Exhibit A-9 are an integral part of this statement

**CITY OF ST. GABRIEL, LOUISIANA
PROPRIETARY FUND - SEWER FUND**

STATEMENT OF CASH FLOWS

For the year ended June 30, 2012

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 124,134
Payments to suppliers	(81,012)
Payments to employees	<u>(248,259)</u>
Net cash used for operating activities	<u>(205,137)</u>

**CASH FLOWS FROM CAPITAL AND
RELATED FINANCING ACTIVITIES**

Capital grants	841,605
Capital asset additions	(1,070,211)
Principal paid on capital debt	(45,492)
Interest paid on capital debt	<u>(132,376)</u>
Net cash used by capital and related financing activities	<u>(406,474)</u>

**CASH FLOWS FROM NONCAPITAL
FINANCING ACTIVITIES**

Transfers in from other funds	715,000
Decrease in due to other funds	<u>(518,977)</u>
Net cash provided by noncapital and related financing activities	<u>196,023</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income	<u>81</u>
Net decrease in cash	(415,507)

CASH

Beginning of period	<u>577,433</u>
End of period	<u>\$ 161,926</u>

RECONCILIATION OF CASH

Cash and cash equivalents	\$ 8,542
Restricted cash	<u>153,384</u>
Total cash	<u>\$ 161,926</u>

RECONCILIATION OF OPERATING LOSS TO

NET CASH USED FOR OPERATING ACTIVITIES:

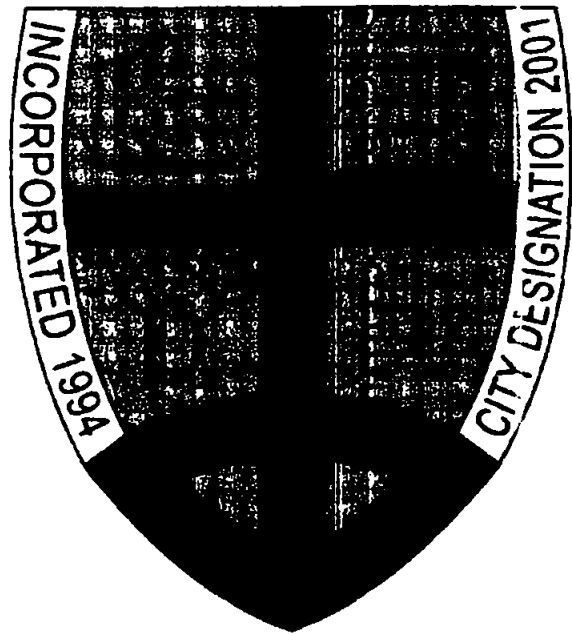
Operating loss	\$ (647,750)
Adjustments of operating loss.	
Depreciation	278,603
Provision for bad debt	32,395
Change in operating assets and liabilities	
Accrued expenses	(5,451)
Accounts payable	171,169
Accounts receivable	<u>(34,103)</u>
Net cash used for operating activities	<u>\$ (205,137)</u>

Notes on Exhibit A-9 are an integral part of this statement.

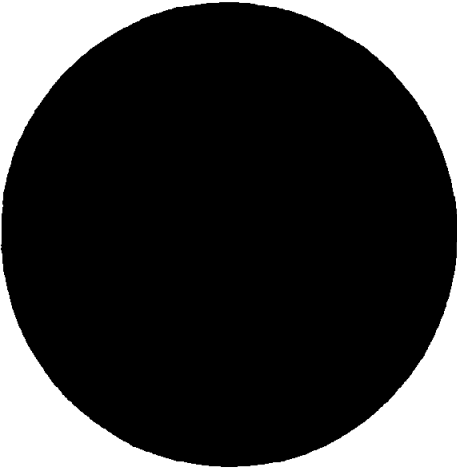
CITY OF ST. GABRIEL

2012

**For the fiscal
year ended
June 30th**



**Notes to the
Financial Statements**



CITY OF ST. GABRIEL, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement Presentation

The financial statements of the City of St. Gabriel, Louisiana (the City) have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The more significant accounting policies established in GAAP and used by the City are described below.

The financial statements comply with GASB approved Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* and include the following:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the City's overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all of the City's activities, including infrastructure (roads, bridges, etc.).
- A change in the fund financial statements to focus on the major funds.

In February 2009, the GASB unanimously approved Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. In 2011, the City implemented GASB 54, which resulted in the consolidation of the Ad Valorem 2 Tax Fund, Parish-Wide Sales and Use Tax Fund, Sales and Use Tax Fund, and all other non-major governmental funds into the City's General Fund for external reporting purposes. This resulted in an increase to the General Fund's 2011 opening fund balance from \$39,978 to \$2,676,794. Furthermore, the classification of the primary government's beginning net assets was changed as a result of the application of this accounting principle. Restricted net assets were increased by approximately \$1,366,641 as a result of the change. These changes will affect the comparability of these statements to historical financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity

These financial statements present the City as the primary government. For financial reporting purposes, the City is controlled by or dependent on the City's executive or legislative branches (the Mayor or the City Council, respectively). Control by or dependence on the City is determined on the basis of budget adoption, taxing authority, outstanding debts secured by revenues or general obligations of the City, obligations of the City to finance any deficits that may occur, or receipt of significant subsidies from the City.

As the municipal governing authority, for reporting purposes, the City is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary municipal government, and where applicable (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The criteria for determining which component units should be considered part of the City for financial reporting purposes are as follows:

- Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name;
- Whether the City governing authority (the Council and/or Mayor) appoints a majority of board members of the potential component unit;
- Fiscal interdependency between the City and the potential component unit;
- Imposition of will by the City on the potential component unit; and
- Financial benefit/burden relationship between the City and the potential component unit

As required by generally accepted accounting principles, these financial statements present the City; there are no component units to be included either blended within the City's funds or discretely presented in these financial statements.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

The City's basic financial statements consist of the government-wide statements of the primary government (the City) and the fund financial statements (individual major funds and combined non-major funds). The City's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America and applied to governmental units. Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide financial statements and the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The City has elected not to follow subsequent private-sector guidance.

Government-wide Financial Statements

The government-wide financial statements include the Statement of Net Assets and the Statement of Activities for all non-fiduciary activities of the City. As a general rule, the effect of interfund activity has been removed from these statements. The government-wide presentation focuses primarily on the sustainability of the government as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These statements distinguish between the governmental and business-type activities of the City.

Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

Business type activities are financed in whole or part by fees charged to external parties for utility services provided. The City's sewer services are classified as business-type activities.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or business-type activity, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

The fund financial statements are very similar to the traditional government fund statements as prepared by governments prior to the issuance of GASB No. 34. Emphasis is now on the major funds in either the governmental or business-type categories. Non-major funds by category or fund type are summarized into a single column.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

The daily operations of the City continue to be organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures or expenses, as appropriate. Funds are organized into three major categories: governmental, proprietary and fiduciary. The City does not have any fiduciary funds. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City (the general fund) or meets the following criteria:

- Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be expended and the means by which spending activities are controlled. The various funds and account groups of the primary government presented in the financial statements are described as follows:

Governmental Fund Types

Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use, and balances of expendable financial resources and related liabilities of the City are accounted for through governmental funds. Measurement is focused upon determining changes in financial position rather than net income. The following are the governmental fund types of the City:

General Fund - The general fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The general fund is always a major fund.

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The special revenue funds that are considered major funds are the Civic Center Operating Fund and the Code Enforcement Grant Fund.

Capital Projects Fund - Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The Capital Projects Fund is considered a major fund and is used to account for infrastructure improvements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Proprietary Fund Types

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Enterprise Funds - Enterprise funds are used to account for operations (1) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs and expenses, including depreciation, of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City's enterprise fund has been considered a major fund.

Basis of Accounting and Measurement Focus

Government-wide financial statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Ad Valorem taxes are recognized in the year for which they are assessed.

Fund financial statements

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included in the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). "Available" means collectible within the current period or within 60 days after year-end. Charges for services, fines and forfeitures, and most governmental miscellaneous revenues, are recorded as earned since they are measurable and available.

Non-exchange transactions, in which the City receives value without directly giving value in return, include sales tax, ad valorem tax, and federal and state aid and grants.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting and Measurement Focus (continued)

Fund financial statements (continued)

Ad valorem taxes are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15th of each year, and become delinquent after December 31st. The taxes are generally collected in December, January and February of the current fiscal year. Furthermore, the City budgets use of ad valorem taxes on a fiscal year basis. Sales taxes are recorded when in the possession of the intermediary collecting agent and are recognized as revenue at that time. Federal and state aid and grants are recorded as revenue when the City is entitled to the funds, generally corresponding to when grant-related costs are incurred by the City, but subject to the availability criteria.

Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable, except (1) unmatured interest on general long-term debt, which is recognized when due, and (2) claims and judgments and compensated absences, which are recorded as expenditures in the governmental fund when paid with expendable financial resources. Allocations of costs such as depreciation and amortization are not recognized in the governmental funds.

All proprietary funds are accounted for on a flow of economic resources measurement focus. Proprietary funds are maintained on the accrual basis of accounting wherein revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recognized in the period incurred, if measurable party gives and receives. Revenues resulting from the exchange transactions, in which each party gives and receives essentially equal value, is reconciled on the accrual basis when the exchange takes place.

Cash and Cash Equivalents

Cash and cash equivalents for the City include the Louisiana Asset Management Pool (LAMP) account and each individual fund's share of the consolidated operating cash accounts.

Consolidated bank accounts have been established for the City into which substantially all monies are deposited and from which most disbursements are made. In addition, investment purchases are charged and maturities are deposited to the consolidated bank account. The purpose of the consolidation of bank accounts was to provide administrative efficiency and to maximize investment earnings. The accounts entitled "Cash and Cash Equivalents" is therefore composed of a fund's pro rata share of the cash balance in the consolidated cash account plus its' pro rata share of investments made through the investment of excess cash. Investment earnings are recorded in the general fund.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents (continued)

For an investment, custodial credit risk is the risk that, in the event of the failure of the counter party, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The investment policy of the City is governed by state statutes that include depository and custodial contract provisions. The City invests funds in accordance with L.R.S. 39:1211-1245 and 33:2955 which include, but are not limited to, United States treasury bonds, treasury notes, treasury bills, and fully collateralized interest-bearing checking accounts and certificates of deposit. Other provisions require depositories to insure or collateralize all deposits in accordance with state law and require securities collateralizing deposits to be held by an independent third party with whom the City has a custodial agreement. The City primarily utilizes the Louisiana Asset Management Pool to invest idle funds and records amounts invested at fair value.

For purposes of the Statement of Cash Flows, liquid investments of the enterprise fund with a maturity of three months or less are considered to be cash equivalents. Also, see Note 2.

Accounts Receivable and Bad Debts

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. For governmental activities, uncollectible amounts due for receivables are recognized as bad debts directly charged off at the time information becomes available which indicates that the particular receivable is not collectible. In governmental fund types, the uncollectible amount is charged directly to the revenue or deferred revenue reported. In business-type activities, uncollectible amounts due from sewer billing receivables are recognized as bad debts through the use of an allowance account or are directly charged off at the time information becomes available which indicates that the particular receivable is not collectible. An allowance for doubtful accounts of approximately \$188,000 was recorded at June 30, 2012.

Interfund Receivables/Payables

During the course of operations numerous transactions occur between individual funds. Those related to short-term borrowings are classified as "due from other funds" or "due to other funds" on the balance sheet and result primarily from participation in the consolidated cash account. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Assets. See Notes 9 and 10 for details of interfund transactions, including receivables and payables at year-end. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Restricted Cash

Restricted cash represents amounts which have been designated for debt service reserves and to meet unexpected contingencies for property repairs and replacements. Restricted cash consisted of approximately \$1,004,000 as of June 30, 2012.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

The accounting treatment of property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-wide Statements

All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation. Major outlays for capital assets and improvements are capitalized at completion of the construction projects. The City's capitalization policy stipulates a capitalization threshold of \$1,000.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are expensed. Improvements are capitalized.

Prior to the implementation of GASB No. 34, governmental funds' infrastructure assets were not capitalized. These assets are comprised of the streets maintained by the City and have been valued at estimated historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	25-40 years
Improvements	7-30 years
Machinery and equipment	5-20 years
Utility system	5-40 years
Infrastructure	15-40 years

Fund Financial Statements

In the fund financial statements capital assets used in governmental fund operations are not capitalized. Instead, capital acquisition and construction are reflected as expenditures in the governmental funds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (continued)

Property, plant and equipment used by the proprietary funds are stated at cost. Interest costs incurred during construction periods are capitalized. Depreciation has been provided over the estimated useful lives of the assets using the straight-line method. The estimated useful lives are as follows:

Sewer treatment systems	5-40 years
Sewer pump station	20 years

Long-term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

In the government-wide Statement of Net Assets and in the proprietary fund types' financial statements, long-term debt is reported as a liability. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the bond. The long-term debt consists primarily of public improvement bonds and certificates of indebtedness for public improvements.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. The face amount of the debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs in the period incurred. The accounting for proprietary fund debt is the same in the fund financial statements as it is in the government-wide financial statements. The City is not obligated for any special assessment debt.

Compensated Absences

All full-time employees of the City are entitled to annual paid vacation and sick leave. Accumulated unused vacation leave earned but not taken is forfeited at the end of the City's fiscal year. Additionally, sick leave may be accumulated up to 60 days. However, unused sick leave is forfeited upon retirement or termination and has not been reflected in these financial statements.

Government-wide and Proprietary Fund Net Assets

Government-wide and proprietary fund net assets are divided into three components:

- Invested in capital assets, net of related debt—consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide and Proprietary Fund Net Assets (Continued)

- Restricted net assets—consist of net assets that are restricted by the City's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors
- Unrestricted—all other net assets are reported in this category

Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as follows

- Nonspendable—Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact
- Restricted—Amounts that can be spent only for specific purposes because of the City Charter, the City Code, state or federal laws, or externally imposed conditions by grantors or creditors
- Committed—Amounts that can be used only for specific purposes determined by a formal action by City Council ordinance or resolution. This includes the budget reserves
- Assigned—Amounts that are designated by the Mayor for a particular purpose but are not spendable until a budget ordinance is passed or there is a majority vote approval (for capital projects or debt service) by City Council
- Unassigned—All amounts not included in other spendable classifications

Use of Restricted Resources

When an expense is incurred that can be paid using either restricted or unrestricted resources (net assets), the City's policy is to apply the expenditure in the following priority

- 1 Restricted fund balance,
- 2 Committed fund balance,
- 3 Assigned fund balance, and
- 4 Unassigned fund balance

Interfund Transfers

Transfers between funds are included in the budgets of such funds. In those cases where repayment is expected, the advances are accounted for through the various interfund accounts

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budget Policy and Budgetary Accounting

A proposed budget is prepared and submitted by the Mayor to the City Council prior to the beginning of each fiscal year. A budget summary and notice of a public hearing is published with the public hearing being conducted prior to the adoption of the budget. The City follows the requirements of Louisiana Budget Law. The City is required to adopt its budget prior to June 30. Once adopted, the Mayor is able to transfer part or all of any appropriation within a department of a fund, however, the authority for other budget amendments resides with the City Council.

The annual operating budget, prepared on the accrual basis, covers the general, special revenue, debt service, capital projects, and enterprise funds. At the end of the fiscal year unexpended appropriations automatically lapse. Budget amendments are approved by the City Council and are included in the financial statements.

In connection with budget preparation, a portion of the unreserved fund balance of an individual fund may be designated for expenditures of the subsequent year by formal action of the City Council. Such designation represents the extent to which the fund balance is used to balance the subsequent year's operating budget of that fund as reflected in the legally adopted budget.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of proprietary funds and the government-wide financial statements during the reporting period. Actual results could differ from those estimates. Estimates are used primarily when accounting for depreciation, prepaid insurance, and deferred revenue.

NOTE 2 - CASH AND INVESTMENTS

The City may invest in United States bonds, treasury notes, or certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the State of Louisiana or other qualifying federally insured investments.

Custodial credit risk is the risk that in the event of a financial institution failure, the City's deposits may not be returned to them. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. As of June 30, 2012, the City's deposits were not exposed to any custodial risk.

As of June 30, 2012 the City had a balance of \$40,854 invested in LAMP.

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pools of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA - R S 33 2955. The value of the portfolio is carried at amortized cost.

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7-like investment pools:

- Credit risk: LAMP is rated AAAm by Standard & Poor's.
- Custodial risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool, therefore, no disclosure is required.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value. For purposes of determining participants' shares, investments are valued at amortized cost. The fair value of the participant's position is the same as the value of the pool shares. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

NOTE 3 - DUE FROM OTHER GOVERNMENTS

Due from other governments at June 30, 2012, consists of the following:

Primary Government	
Parish of Iberville, Louisiana - sales tax	\$ 596,785
State of Louisiana - video poker	198,225
State of Louisiana - Code Enforcement Grant	<u>108,991</u>
Total primary government	\$ <u>904,001</u>

NOTE 4 - AD VALOREM TAXES

The 1974 Louisiana Constitution (Article 7 Section 18) provided that land and improvements for residential purposes be assessed at 10% of fair market value, other property and electric cooperative properties, excluding land, are to be assessed at 15%, and public service properties, excluding land, are to be assessed at 25% of fair market value. Fair market value is determined by the elected assessor of the parish on all property subject to taxation except public service properties, which are valued by the Louisiana Tax Commission (L R S 47 1957). The correctness of assessments by the assessor is subject to review and certification by the Louisiana Tax Commission. The assessor is required to reappraise all property subject to taxation at intervals of not more than four years.

All property taxes are recorded in governmental funds as explained in Note 1 above. Revenues in governmental funds are recognized in the accounting period in which they become available and measurable. Property taxes are considered measurable in the calendar year of the tax levy. Accordingly, the taxes assessed for the calendar year falling within the current fiscal year are recorded as revenue. Property taxes are considered available because they are substantially collected during the fiscal year and are therefore available to liquidate liabilities of the current period.

The property tax calendar is as follows:

Millage rates adopted	July 21, 2011
Levy date	July 21, 2011
Due date	December 31, 2011
Lien date	January 1, 2012
Collection dates	December 1, 2011 to February 29, 2012

Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of one and one-fourth percent per month until the taxes are paid (La R S 47 2101). After notice is given to the delinquent taxpayers, the Sheriff is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed (La R S 47 2181). Therefore, there are no delinquent taxes at year end.

For the year ended June 30, 2012, taxes of 16.84 mills were levied for general government and public purposes on property with assessed valuations totaling \$157,827,905. Total taxes levied were \$2,657,822. Property tax millage rates are adopted in the calendar year in which the taxes are levied and recorded. All taxes are due and collectible when the assessment rolls are filed on or before December 31 of the current year, and become delinquent thereafter.

The City collected ad valorem taxes of \$1,964,220 from ten property owners during the year ended June 30, 2012. Tax collections from four of the ten taxpayers amounted to \$1,519,537.

NOTE 5 - CAPITAL ASSETS

General Capital Assets

A summary of changes in general capital assets for the year ended June 30, 2012, is as follows:

	Beginning			Ending
	Balance	Increases	Decreases	Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 442,324	\$ -	\$ -	\$ 442,324
Construction in progress	95,771	48,109	-	143,880
Total capital assets, not being depreciated	<u>538,095</u>	<u>48,109</u>	<u>-</u>	<u>586,204</u>
Capital assets being depreciated:				
Buildings and improvements	5,624,116	15,281	-	5,639,397
Equipment and vehicles	3,451,810	297,847	(26,845)	3,722,812
Infrastructure	1,986,597	687,823	-	2,674,420
Total capital assets being depreciated	<u>11,062,523</u>	<u>1,000,951</u>	<u>(26,845)</u>	<u>12,036,629</u>
Less accumulated depreciation for:				
Buildings and improvements	863,018	160,291	-	1,023,309
Equipment and vehicles	2,835,254	273,947	(12,975)	3,096,226
Infrastructure	989,866	147,725	-	1,137,591
Total accumulated depreciation	<u>4,688,138</u>	<u>581,963</u>	<u>(12,975)</u>	<u>5,257,126</u>
Total capital assets, being depreciated, net	<u>6,374,385</u>	<u>418,988</u>	<u>(13,870)</u>	<u>6,779,503</u>
Governmental activities capital assets, net	<u>\$ 6,912,480</u>	<u>\$ 467,097</u>	<u>\$ (13,870)</u>	<u>\$ 7,365,707</u>
Business Activities:				
Capital assets not being depreciated:				
Land	\$ 60,000	\$ -	\$ -	\$ 60,000
Construction in progress	54,808	1,060,851	-	1,115,659
Total capital assets, not being depreciated	<u>114,808</u>	<u>1,060,851</u>	<u>-</u>	<u>1,175,659</u>
Capital assets being depreciated:				
Sewer treatment plants	9,974,768	9,360	-	9,984,128
Sewer pump station	189,961	-	-	189,961
Total capital assets being depreciated	<u>10,164,729</u>	<u>9,360</u>	<u>-</u>	<u>10,174,089</u>
Less accumulated depreciation for:				
Sewer treatment plants	2,043,126	270,449	-	2,313,575
Sewer pump station	59,630	8,154	-	67,784
Total accumulated depreciation	<u>2,102,756</u>	<u>278,603</u>	<u>-</u>	<u>2,381,359</u>
Total capital assets being depreciated, net	<u>8,061,973</u>	<u>(269,243)</u>	<u>-</u>	<u>7,792,730</u>
Business-type activities capital assets, net	<u>\$ 8,176,781</u>	<u>\$ 791,608</u>	<u>\$ -</u>	<u>\$ 8,968,389</u>

NOTE 5 - CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General government	\$ 229,831
Recreation	133,853
Public safety	123,381
Streets and sanitation	<u>94,898</u>

Total depreciation expense - governmental activities	<u>\$ 581,963</u>
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NOTE 6 - LONG-TERM DEBT

Debt Outstanding

The following is a summary of debt transactions of the City for the year ended June 30, 2012:

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>	<u>Due Within One Year</u>
Governmental activities:					
Public improvement	\$ 4,580,638	\$ -	\$ 65,035	\$ 4,515,603	\$ 67,938
Capital projects	-	8,830,000	-	8,830,000	240,000
Bond discount	-	(432,115)	-	(432,115)	-
Total	<u>\$ 4,580,638</u>	<u>\$ 8,397,885</u>	<u>\$ 65,035</u>	<u>\$ 12,913,488</u>	<u>\$ 307,938</u>
Business-type activities:					
Revenue bonds	<u>\$ 2,989,914</u>	<u>\$ -</u>	<u>\$ 45,492</u>	<u>\$ 2,944,422</u>	<u>\$ 47,502</u>

(Continued)

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Long-term debt obligations for the primary government at June 30, 2012, are comprised of the following:

Governmental Activities

\$8,830,000 Capital Projects Revenue Bond secured by a
pledge and dedication of sales tax revenues, due in annual
installments of \$240,000 - \$525,000 through May 2037;
interest at 2.500 % - 4.000 %. \$ 8,830,000

Bond discount, net of accumulated amortization (432,115)
8,397,885

\$4,980,000 Civic Center Revenue Bond secured by a pledge and
dedication of sales tax revenues, due in monthly installments of
\$22,012 through October 7, 2045; interest at 4.375 %. 4,515,603

Total long-term debt from governmental activities \$ 12,913,488

Enterprise Fund

Revenue Bonds:

\$1,237,000 Sewer Revenue Bonds secured by a pledge and
dedication of sewer revenues, due in monthly installments of
\$5,617 through December 15, 2040; interest at 4.500 %. \$ 1,079,724

\$532,000 Sewer Revenue Bonds secured by a pledge and
dedication of sewer revenues, due in monthly installments of
\$2,416 through June 6, 2041; interest at 4.500 %. 468,351

\$1,064,000 Sewer Revenue Bonds secured by a pledge and
dedication of sewer revenues, initial annual interest payments of
\$47,880 due on December 18, 2004 and 2005, thereafter in monthly
installments of \$4,884 through December 18, 2043; interest at 4.500 % 983,955

\$444,000 Sewer Revenue Bonds secured by a pledge and
dedication of sewer revenues, due in monthly installments of
\$1,980 through February 23, 2045; interest at 4.500 %. 412,392

Total long-term debt from business-type activities \$ 2,944,422

(Continued)

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Debt Service Requirements to Maturity

The annual requirements to amortize debt outstanding at June 30, 2012, are as follows:

Year	Capital Projects Revenue Bond		Civic Center Revenue Bond		Total Governmental Long-term debt	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 240,000	\$ 305,111	\$ 67,938	\$ 196,206	\$ 307,938	\$ 501,317
2014	245,000	301,675	70,971	193,173	315,971	494,848
2015	250,000	295,550	74,139	190,005	324,139	485,555
2016	260,000	289,300	77,448	186,696	337,448	475,996
2017	265,000	282,800	80,905	183,239	345,905	466,039
2018-2022	1,440,000	1,297,025	462,030	858,690	1,902,030	2,155,715
2023-2027	1,685,000	1,050,950	574,779	745,941	2,259,779	1,796,891
2028-2032	2,010,000	728,475	715,039	605,681	2,725,039	1,334,156
2033-2037	2,435,000	299,600	889,525	431,195	3,324,525	730,795
2038-2042	-	-	1,106,590	214,130	1,106,590	214,130
2043-2045	-	-	396,239	14,304	396,239	14,304
	<u>\$ 8,830,000</u>	<u>\$ 4,850,486</u>	<u>\$ 4,515,603</u>	<u>\$ 3,819,260</u>	<u>\$ 13,345,603</u>	<u>\$ 8,669,746</u>

Year	Business-type Activities			
	Sewer Revenue Bonds		Total Business-type Long-term debt	
	Principal	Interest	Principal	Interest
2013	\$ 47,502	\$ 131,192	\$ 47,502	\$ 131,192
2014	49,758	129,006	49,758	129,006
2015	52,038	126,726	52,038	126,726
2016	54,422	124,342	54,422	124,342
2017	56,918	121,846	56,918	121,846
2018-2022	326,186	567,634	326,186	567,634
2023-2027	407,589	486,231	407,589	486,231
2028-2032	510,602	383,218	510,602	383,218
2033-2037	638,832	254,988	638,832	254,988
2038-2042	656,043	98,614	656,043	98,614
2043-2045	144,532	6,740	144,532	6,740
	<u>\$ 2,944,422</u>	<u>\$ 2,430,537</u>	<u>\$ 2,944,422</u>	<u>\$ 2,430,537</u>

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Normally debt issues are not retired prior to their maturity. For accounting purposes, interest coupons issued in connection with the sale of various bond issues become obligations/expenditures of the City only with the passage of time and they represent fixed and determinable obligations which must be retired from future revenues.

There are no outstanding bonds secured by ad valorem taxes of the City at this time.

Bond Restrictions

Sewer Revenue Bonds – Phase I, II, III, and IV

In accordance with the indenture governing Sewerage Utility Fund Revenue Bonds, Series 2000, 2001, 2002, and 2003 cash is periodically deposited into accounts administered by a trustee bank. These bonds are a direct liability of the Sewerage Enterprise fund to be serviced by the earnings from the fund. Deposits are made to these trust accounts in accordance with the requirements of each debt issue.

1. The Sewer System Revenue fund requires all revenue derived from its operations to be deposited in a bank that is a member of the Federal Deposit Insurance Corporation as long as any of the bonds are outstanding. Required transfers are made on a monthly basis to designated trust accounts. In addition, the series 2000, 2001, 2002, and 2003 bonds require the use of a separate construction account.
2. The Sewer Revenue Bond and Interest Sinking funds require monthly fund transfers from the Sewer System Revenue fund to provide payment of the next maturing interest and principal of the revenue bonds.
3. The Sewer Revenue Bond Reserve funds require monthly transfers until a sum equal to the highest combined principal and interest falling due in any year has been accumulated. These funds are restricted to payment of principal and interest in case of default. Monthly transfers are \$281, \$121, \$244, and \$99. At June 30, 2012, \$35,426, \$19,048, \$14,591, and \$7,627 was held in these reserve accounts.
4. The Sewer Depreciation and Contingency funds require monthly transfers of \$281, \$121, \$244, and \$99. The funds are restricted to payments for unusual or extraordinary maintenance, repairs, replacement, and extensions and improvements that will either enhance its revenue producing capacity or provide improved service. The funds will also be used to pay principal and interest if there are not sufficient funds in the Sewer Revenue Bond and Interest Sinking funds, or Sewer Revenue Bond Reserve funds. At June 30, 2012, \$35,426, \$19,048, \$14,591, and \$7,627 was held in these reserve accounts.

Sewer revenue bonds are secured by a pledge of sewer revenues through 2045. The bonds were issued for the construction of wastewater treatment facilities. During 2012, the City received approximately \$158,000 in sewer revenues. The bonds debt service for 2012 was approximately \$179,000. The shortfall was funded by transfers from the City's General Fund.

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Capital Projects Revenue Bonds

In accordance with the indentures governing Capital Projects Revenue bonds, Series 2012, cash is periodically deposited into accounts administered by a trustee bank. These bonds are a direct liability of the City to be serviced by the proceeds from sales tax revenue. Deposits are made to these trust accounts in accordance with the requirements of each.

1. The Capital Projects Revenue Bonds Debt Service Reserve Fund is a cash account maintained by the trustee bank. This fund is restricted to payment of principal and interest in case of default. At June 30, 2012, \$549,800 was held in this account.
2. The Capital Projects Revenue Bonds Debt Service Fund requires monthly transfers ranging from \$52,073 to \$45,500. This fund is restricted to payment of principal and interest on an annual and semi-annual basis, respectively. At June 30, 2012, \$52,086 was held in this debt service account.

Civic Center Revenue Bonds

In accordance with the indentures governing Civic Center Revenue bonds, Series 2003, cash is periodically deposited into accounts administered by a trustee bank. These bonds are a direct liability of the Civic Center Special Revenue fund to be serviced by the earnings from the fund. Deposits are made to these trust accounts in accordance with the requirements of each.

1. The Civic Center Revenue bonds require all revenue derived from its operations to be deposited in a bank that is a member of the Federal Deposit Insurance Corporation as long as any of the bonds are outstanding. Required transfers are made on a monthly basis to designated trust accounts.
2. The Civic Center Revenue Bond Reserve fund requires monthly transfers ranging from \$1,100 until a sum equal to the highest combined principal and interest falling due in any year has been accumulated. This fund is restricted to payment of principal and interest in case of default. At June 30, 2012, \$87,910 was held in this reserve accounts.
3. The Civic Center Depreciation and Contingency funds require monthly transfers of \$1,100. The funds are restricted to payments for unusual or extraordinary maintenance, repairs, replacement, and extensions and improvements that will either enhance its revenue producing capacity or provide improved service. It will also be used to pay principal and interest if there are not sufficient funds in the Civic Center Revenue fund. At June 30, 2012, \$88,093 was held in this reserve accounts

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Civic Center Revenue Bonds (Continued)

The Civic Center Revenue bonds are secured from a pledge of the City's 1% sales and use tax. During 2012, the City collected approximately \$1,521,000 in sales and use tax proceeds with approximately \$264,000 used to fund current debt service until retirement through 2045. The debt was issued for the purpose of funding the construction of a community center. Excess sales tax revenues over debt service requirements are available for use as stipulated by the tax dedication and determined by the City. See Note 7.

Legal Debt Margin

Computation for legal debt margin for general obligation bonds is as follows:

Ad Valorem taxes - assessed valuation	<u>\$ 157,827,905</u>
Debt limit: 10% of assessed valuation (for any one purpose)	<u>\$ 15,782,791</u>
Debt limit: 35% of assessed valuation (aggregate, all purposes)	<u>\$ 55,239,767</u>

NOTE 7 - DEDICATED REVENUES

Ad Valorem Tax

A 10.00 mills ad valorem tax was levied in July 2011. The tax is dedicated for public improvements including, but not limited to, housing, economic development, and funding for a community center. Dedicated ad valorem taxes of \$1,608,054 were collected during the year ended June 30, 2012.

Sales and Use Tax

A one-third of one percent sales and use tax is dedicated for public purposes, including, but not limited to, sewer and wastewater facilities, water and fire protection, streets, sidewalks, bridges and drainage and other capital expenditures, including operating and maintenance costs related thereto. The City received \$1,521,233 from sales and use tax during the year ended June 30, 2012.

Parish-wide Sales Tax

A two percent parish-wide sales tax is dedicated for public infrastructure and maintenance. The City received \$2,183,040 from parish-wide sales tax during the year ended June 30, 2012. The tax is collected on a parish-wide basis in Iberville Parish and shared with certain municipalities in the Parish on a pro-rata basis based on populations.

NOTE 8 - PENSION AND RETIREMENT PLANS

State of Louisiana Municipal Employees' Retirement System

Plan Description – Substantially all employees of the City are members of the State of Louisiana Municipal Employees' Retirement System (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, each with separate assets and benefit provisions. All employees of the City are members of Plan A.

All permanent employees working at least 35 hours per week who are paid wholly or in part from City funds are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service or at any age with at least 25 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary multiplied for each year of creditable service. Monthly retirement benefits paid under Plan A cannot exceed the lesser of 100 percent of final-average salary or \$70 multiplied by total years of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average.

Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination.

The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees' Retirement System, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810. Their web site is www.mersla.com.

Funding Policy – Under Plan A, members are required by state statute to contribute 9.25 percent of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 16.75 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent of the ad valorem taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the City are established and may be amended by state statute. As provided by L.R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The City's contributions to the system under Plan A for the years ended June 30, 2012, 2011 and 2010 were \$246,781, \$291,762, and \$185,841, respectively, and were equal to the statutorily required contributions for each year.

NOTE 8 - PENSION AND RETIREMENT PLANS (CONTINUED)

Municipal Police Employees' Retirement System

Plan Description – Police department employees of the City are members of the Municipal Police Employees Retirement System (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All permanent full-time police officers who are paid wholly or in part from City police department funds are required to participate in the System.

Under the plan, officers who retire at or after age 55 with at least 12 years of creditable service, or at or after age 50 with at least 20 years of creditable service, or any age with at least 25 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 and 1/3 percent of their final-average salary multiplied for each year of creditable service not to exceed 100 percent of final salary. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System, 7722 Office Park Boulevard, Suite 200, Baton Rouge, Louisiana 70809-7601, or by calling (225) 929-7411. Their web site is www.lampers.org.

Funding Policy – Under the plan, members are required to contribute 10.0 percent of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 26.5 percent of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by state statute. The employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The City's contributions to the system under the plan for the years ended June 30, 2012, 2011 and 2010 were \$170,832, \$155,306, and \$56,729, respectively, and were equal to the statutorily required contributions for each year.

Firefighters' Retirement System

Plan Description – Fire department employees of the City are members of the Firefighters' Retirement System (System), a state-wide cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All permanent full-time fire department employees who are paid wholly or in part from the City's fire department funds are eligible to participate in the System.

NOTE 8 - PENSION AND RETIREMENT PLANS (CONTINUED)

Firefighters' Retirement System (Continued)

Under the plan, employees who retire at or after age 55 with at least 12 years of creditable service, or at or after age 50 with at least 20 years of creditable service, or at any age with at least 25 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average compensation based on 36 consecutive months of highest pay multiplied for each year of creditable service not to exceed 100 percent of their final salary. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Firefighters' Retirement System, 3100 Brentwood Drive, Baton Rouge, Louisiana 70809-1752, or by calling (225) 925-4060. Their web site is lafirefightersret.com.

Funding Policy – Under the plan, members are required by state statute to contribute 8 percent of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 25.25 percent of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by state statute. The employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The City's contributions to the System under the plan for the years ended June 30, 2012, 2011 and 2010, were \$46,127, \$43,914, and \$20,337, respectively, and were equal to the statutorily required contributions for each year.

(Continued)

NOTE 9 - INTERFUND TRANSFERS

Interfund Transfers

Transfers for the year ended June 30, 2012, were as follows:

	<u>Transfers</u>	
	<u>In</u>	<u>Out</u>
Governmental Activities:		
General		
Code Enforcement	\$ -	\$ 125,000
Capital Projects		852,073
Civic Center Operating	-	400,000
Sewer	-	715,000
Total General Fund	-	<u>2,092,073</u>
Code Enforcement		
General	125,000	-
Capital Projects		
General	852,073	-
Civic Center Operating		
General	<u>400,000</u>	-
Total governmental activities	<u>1,377,073</u>	<u>2,092,073</u>
Business-type Activities:		
Sewer		
General Fund	<u>715,000</u>	-
Total primary government	<u>\$ 2,092,073</u>	<u>\$ 2,092,073</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations

NOTE 10 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables represent short-term borrowing between funds. Interfund receivables and payables as of June 30, 2012 are as follows:

	<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>
Governmental activities:		
General Fund		
Civic Center Operating Fund	\$ 120,000	\$ -
Sewer Fund	<u>50,000</u>	<u>-</u>
Total General Fund	170,000	-
Civic Center Operating Fund		
General Fund	-	120,000
Capital Projects Fund	52,481	-
Business-type activities:		
Sewer		
General Fund	-	50,000
Capital Projects Fund	<u>-</u>	<u>52,481</u>
Total primary government	<u>\$ 222,481</u>	<u>\$ 222,481</u>

NOTE 11 - COMPENSATION TO THE GOVERNING BODY

The City's elected officials' terms expire on June 30, 2012. The City compensated its Mayor and members of the City Council as follows:

Mayor:	
Lionel Johnson, Jr.	\$ 69,041
City Council:	
Deborah R. Alexander	13,000
Flora J. Danielfield	13,000
Freddie C. Frazier, Sr.	13,000
Melvin Hasten, Sr.	13,000
Ralph Johnson, Sr.	<u>13,000</u>
	<u>\$ 134,041</u>

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Suits and Claims

Various suits and claims arising in the ordinary course of operations are pending against the City. The majority of the cases are either covered by insurance or other defenses; however, the ultimate effect of such litigation cannot be ascertained at this time. It is the opinion of the City's management that the ultimate resolution of such litigation will not have a material effect on the financial position of the City.

NOTE 12 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Risk Management

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries commercial insurance. There were no major changes in insurance coverage from the prior year and settlements have not exceeded coverage in the past four years.

Grants

The City receives state and local grants for specific purposes that are subject to audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. It is the opinion of City management that its compliance with the terms of grants will result in negligible, if any, disallowed costs.

Environment Contingencies

Management of the City is not aware of any unrecorded material commitments or contingent environmental liabilities. Environmental contingencies have been mitigated by testing of the sewer systems on a regular basis and providing test results to the proper environmental authorities.

Cash

The City typically maintains cash and temporary investments in local banks that may, at times, exceed the FDIC insured limits of \$250,000. Amounts in excess of the FDIC limits are required by law to be collateralized by securities pledged by the bank. See Note 2.

(Continued)

NOTE 13 - PRIOR PERIOD ADJUSTMENT

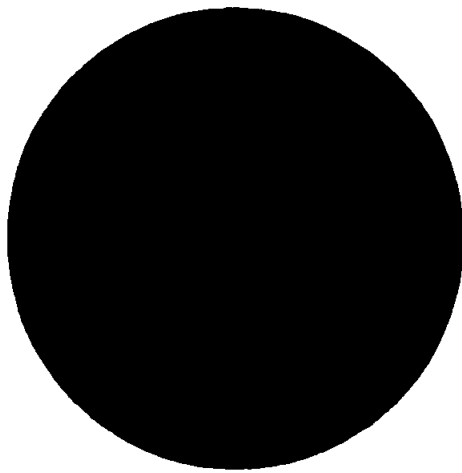
During 2012, The City discovered an error in the recording of transactions in previous periods. The change resulted in a decrease in the fund balances of two governmental funds and net assets on the government-wide basis. Changes to these balances are as follows:

		<u>Government-wide Governmental Activities</u>
Net assets, beginning of year, as previously stated:		\$ 4,851,456
Decrease for overstatement of due from other government		<u>(47,732)</u>
Net assets - as restated		<u>\$ 4,803,724</u>

		<u>General Fund</u>	<u>Civic Center Operating Fund</u>
Fund balance, beginning of year, as previously stated:	\$ 2,225,477		\$ 133,936
Decrease for overstatement of due from other government	<u>(23,866)</u>		<u>(23,866)</u>
Fund balance - as restated	<u>\$ 2,201,611</u>		<u>\$ 110,070</u>

NOTE 14 - SUBSEQUENT EVENTS

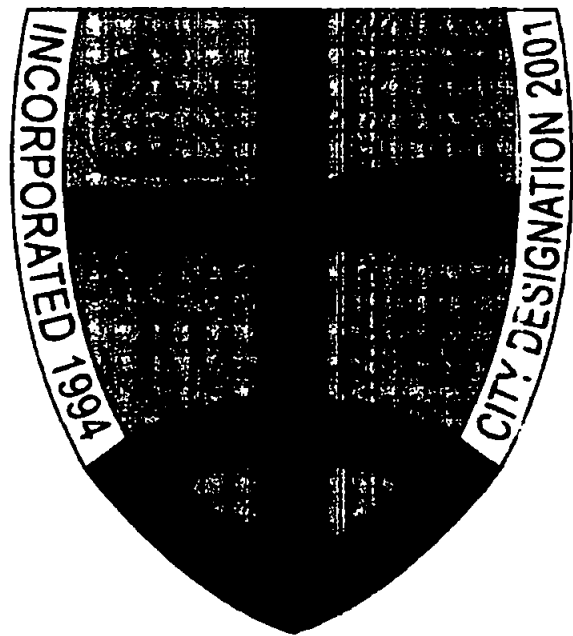
In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through the date of the independent auditors' report, which is the date the financial statements were available to be issued.



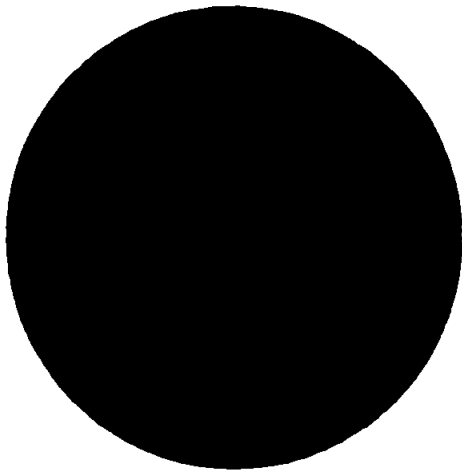
CITY OF ST. GABRIEL

2012

**For the fiscal
year ended
June 30th**



**Required Supplementary
Information**



**CITY OF ST. GABRIEL, LOUISIANA
GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - positive (negative)</u>
REVENUES				
Taxes				
Sales	\$ 3,025,000	\$ 2,990,000	\$ 3,704,273	\$ 714,273
Ad valorem	2,550,000	2,680,000	2,707,963	27,963
Other	51,000	50,500	40,271	(10,229)
Intergovernmental	326,000	387,000	292,240	(94,760)
Licenses and permits	190,000	180,000	211,580	31,580
Fines	550,000	410,000	418,073	8,073
Other	<u>144,000</u>	<u>143,500</u>	<u>136,353</u>	<u>(7,147)</u>
Total revenues	<u>6,836,000</u>	<u>6,841,000</u>	<u>7,510,753</u>	<u>669,753</u>
EXPENDITURES				
Current function:				
General government	1,399,500	1,644,580	1,680,440	(35,860)
Public safety	1,798,753	1,830,498	1,717,357	113,141
Streets and sanitation	1,242,600	1,243,850	1,079,807	164,043
Social and recreational services	176,580	159,100	122,806	36,294
Economic development	-	-	250,000	(250,000)
Capital outlay	<u>-</u>	<u>175,000</u>	<u>269,063</u>	<u>(94,063)</u>
Total expenditures	<u>4,617,433</u>	<u>5,053,028</u>	<u>5,119,473</u>	<u>(66,445)</u>
Excess of revenues over expenditures	<u>2,218,567</u>	<u>1,787,972</u>	<u>2,391,280</u>	<u>603,308</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from insurance	-	-	15,054	15,054
Transfers out				
Civic center operating fund	(425,000)	(452,073)	(400,000)	52,073
Capital projects fund	-	(800,000)	(852,073)	(52,073)
Code enforcement grant fund	(160,000)	(125,000)	(125,000)	-
Sewer	<u>(800,000)</u>	<u>(715,000)</u>	<u>(715,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,385,000)</u>	<u>(2,092,073)</u>	<u>(2,077,019)</u>	<u>15,054</u>
Net change in fund balance	<u>\$ 833,567</u>	<u>\$ (304,101)</u>	314,261	<u>\$ 618,362</u>
FUND BALANCE				
Beginning of year, as restated			<u>2,201,611</u>	
End of year			<u>\$ 2,515,872</u>	

Notes on Exhibits A-9 and B-3 are an integral part of this statement.

**CITY OF ST. GABRIEL, LOUISIANA
CIVIC CENTER OPERATING FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance - positive (negative)
REVENUES				
Intergovernmental	\$ 300,000	\$ 275,000	\$ 292,241	\$ 17,241
Other	<u>33,500</u>	<u>20,550</u>	<u>23,205</u>	<u>2,655</u>
Total revenues	<u>333,500</u>	<u>295,550</u>	<u>315,446</u>	<u>19,896</u>
EXPENDITURES				
Current function:				
Social and recreational services	454,830	406,630	398,698	7,932
Debt service	264,300	264,300	264,229	71
Capital outlay	<u>-</u>	<u>-</u>	<u>1,754</u>	<u>(1,754)</u>
Total expenditures	<u>719,130</u>	<u>670,930</u>	<u>664,681</u>	<u>8,003</u>
Deficiency of revenues over expenditures	(385,630)	(375,380)	(349,235)	26,145
OTHER FINANCING SOURCES				
Transfers in				
General fund	<u>425,000</u>	<u>400,000</u>	<u>400,000</u>	<u>-</u>
Excess of revenues over expenditures and other financing sources	<u>\$ 39,370</u>	<u>\$ 24,620</u>	50,765	<u>\$ 26,145</u>
FUND BALANCE				
Beginning of year, as restated			<u>110,070</u>	
End of year			<u>\$ 160,835</u>	

Notes on Exhibit A-9 and B-4 are an integral part of this statement

**CITY OF ST. GABRIEL, LOUISIANA
CODE ENFORCEMENT GRANT FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - positive (negative)</u>
REVENUES				
Intergovernmental	\$ -	\$ 65,000	\$ 96,225	\$ 31,225
Licenses and permits	<u>125,000</u>	<u>115,000</u>	<u>115,794</u>	<u>794</u>
Total revenues	<u>125,000</u>	<u>180,000</u>	<u>212,019</u>	<u>32,019</u>
EXPENDITURES				
Current function:				
General government	280,520	325,640	297,045	28,595
Capital outlay	<u>-</u>	<u>22,500</u>	<u>42,311</u>	<u>(19,811)</u>
Total expenditures	<u>280,520</u>	<u>348,140</u>	<u>339,356</u>	<u>8,784</u>
Excess (deficiency) of revenues over expenditures	(155,520)	(168,140)	(127,337)	40,803
OTHER FINANCING SOURCES				
Transfers in				
General fund	<u>160,000</u>	<u>125,000</u>	<u>125,000</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures	<u>\$ 4,480</u>	<u>\$ (43,140)</u>	(2,337)	<u>\$ 40,803</u>
FUND BALANCE				
Beginning of year			<u>172,613</u>	
End of year			<u>\$ 170,276</u>	

Notes on Exhibits A-9 and B-4 are an integral part of this statement.

CITY OF ST. GABRIEL, LOUISIANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the year ended June 30, 2012

NOTE 1 - BUDGETS

Budget Policy and Budgetary Accounting

A proposed budget is prepared and submitted by the Mayor to the City Council prior to the beginning of each fiscal year. A budget summary and notice of a public hearing is published with the public hearing being conducted prior to the adoption of the budget. The City follows the requirements of Louisiana Budget Law. The City is required to adopt its budget prior to June 30. Once adopted, the Mayor is able to transfer part or all of any appropriation within a department of a fund; however, the authority for other budget amendments resides with the City Council.

The annual operating budget, prepared on the accrual basis, covers the general, special revenue, debt service and enterprise funds. At the end of the fiscal year, unexpended appropriations automatically lapse. Budget amendments are approved by the Town Council and are included in the financial statements.

In connection with budget preparation, a portion of the unreserved fund balance of an individual fund may be designated for expenditures of the subsequent year. Such designation represents the extent to which the fund balance is used to balance the subsequent year's operating budget of that fund, as reflected in the legally adopted budget.

Basis of Accounting

All of the City's budgets are prepared on the accrual basis of accounting, which is described in Note 1 to the City's financial statements for the year ended June 30, 2012.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Expenditures Exceeding Appropriations

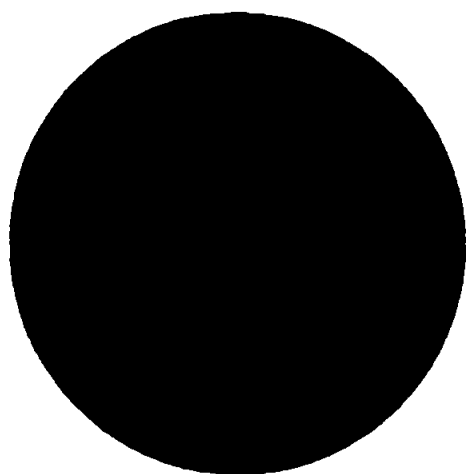
Excess of expenditures over appropriations in individual funds or departments within the fund occurred as follows:

	Revised Budget	Actual (GAAP Basis)	Excess over Budget
Governmental Fund:			
General Fund			
Economic development	\$ -	\$ 250,000	\$ (250,000)
Capital outlay	175,000	269,063	(94,063)

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Expenditures Exceeding Appropriations (Continued)

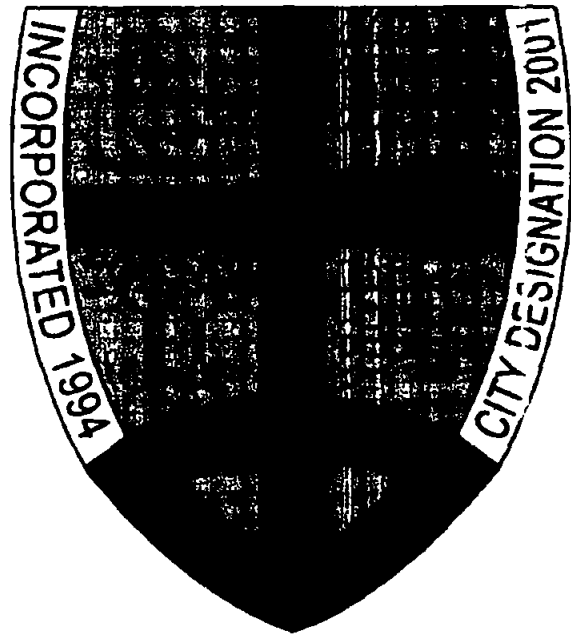
	<u>Revised Budget</u>	<u>Actual (GAAP Basis)</u>	<u>Excess over Budget</u>
Governmental Fund:			
Civic Center Operating Fund			
Capital outlay	\$ -	\$ 1,754	\$ (1,754)
Code Enforcement Grant Fund			
Capital outlay	22,500	42,311	(19,811)



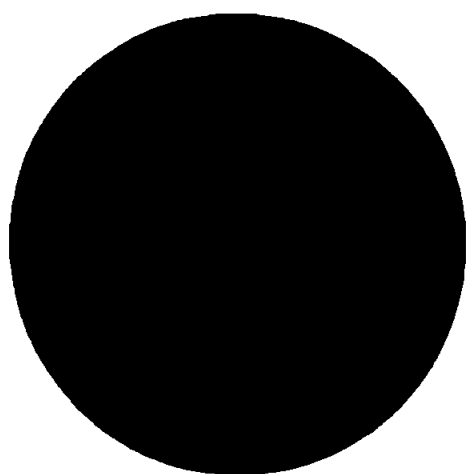
CITY OF ST. GABRIEL

2012

**For the fiscal
year ended
June 30th**



**Individual Fund
Statements**



CITY OF ST. GABRIEL, LOUISIANA

Supplementary Information

**CITY OF ST. GABRIEL, LOUISIANA
GENERAL FUND**

SCHEDULE OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL

For the year ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance - positive (negative)
REVENUES				
Taxes:				
Sales	\$ 3,025,000	\$ 2,990,000	\$ 3,704,273	\$ 714,273
Ad valorem	2,550,000	2,680,000	2,707,963	27,963
Telephone	25,000	27,800	20,449	(7,351)
Cable TV	22,000	22,000	19,822	(2,178)
Franchise	4,000	700	-	(700)
Licenses and permits	190,000	180,000	211,580	31,580
Intergovernmental:				
State of Louisiana	25,000	110,000	-	(110,000)
Video draw poker	300,000	275,000	292,240	17,240
Contract services	-	1,000	-	(1,000)
Other	1,000	1,000	-	(1,000)
Fines	550,000	410,000	418,073	8,073
Other:				
Rent and other	76,000	76,000	62,960	(13,040)
Interest	1,000	500	567	67
Miscellaneous	50,000	50,000	46,708	(3,292)
Youth Camp fees	<u>17,000</u>	<u>17,000</u>	<u>26,118</u>	<u>9,118</u>
Total revenues	<u>\$ 6,836,000</u>	<u>\$ 6,841,000</u>	<u>\$ 7,510,753</u>	<u>\$ 669,753</u>

**CITY OF ST. GABRIEL, LOUISIANA
GENERAL FUND**

**SCHEDULE OF DEPARTMENTAL EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance - positive (negative)
GENERAL GOVERNMENT				
Salaries	\$ 403,500	\$ 470,000	\$ 472,335	\$ (2,335)
Payroll taxes	9,600	17,190	15,671	1,519
Municipal retirement	71,500	121,990	92,657	29,333
Grant refund	-	-	29,171	(29,171)
Travel	27,000	7,000	10,335	(3,335)
Dues and subscriptions	6,200	5,000	10,197	(5,197)
Professional	210,000	185,000	235,629	(50,629)
Contract labor	1,200	10,000	11,782	(1,782)
Insurance	457,900	460,500	404,230	56,270
Building maintenance	11,400	12,700	23,040	(10,340)
Vehicle fuel	11,000	24,000	20,401	3,599
Office supplies	9,300	30,000	39,456	(9,456)
Vehicle maintenance	8,600	14,600	14,308	292
Telephone	34,000	54,000	54,147	(147)
Utilities	50,800	70,800	67,465	3,335
Council projects	15,000	3,000	-	3,000
Other	72,500	158,800	179,616	(20,816)
Total general government	1,399,500	1,644,580	1,680,440	(35,860)
STREETS AND SANITATION				
Salaries	723,200	640,000	643,180	(3,180)
Payroll taxes	33,000	25,120	22,901	2,219
Municipal retirement	114,400	109,400	83,284	26,116
Insurance	105,000	115,830	99,333	16,497
Contract labor	2,000	2,500	539	1,961
Equipment maintenance	33,800	60,800	55,005	5,795
Street and building maintenance	52,400	115,000	52,522	62,478
Utilities	8,000	3,000	1,572	1,428
Vehicle fuel	46,400	50,000	57,306	(7,306)
Supplies	75,000	75,600	46,302	29,298
Training	400	500	-	500
Other	49,000	46,100	17,863	28,237
Total streets and sanitation	1,242,600	1,243,850	1,079,807	164,043

CITY OF ST. GABRIEL, LOUISIANA
GENERAL FUND

SCHEDULE OF DEPARTMENTAL EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL

For the year ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance - favorable (unfavorable)
PUBLIC SAFETY				
Police				
Salaries	\$ 797,100	\$ 797,100	\$ 801,061	\$ (3,961)
Payroll taxes	32,023	32,023	29,194	2,829
Municipal and police retirement	200,000	200,000	170,832	29,168
Insurance	133,100	133,100	124,359	8,741
Travel	2,500	2,500	258	2,242
Clothing	15,700	12,400	11,756	644
Training	9,000	9,000	4,696	4,304
Office supplies	42,200	43,735	42,504	1,231
Telephone	20,000	13,000	11,099	1,901
Vehicle fuel	68,330	94,930	78,537	16,393
Vehicle maintenance	40,000	50,000	32,243	17,757
Equipment maintenance	11,200	29,600	13,064	16,536
Field supplies	37,650	28,650	14,903	13,747
Printing	150	1,950	1,517	433
Rent and utilities	10,500	13,610	14,442	(832)
Other	53,600	56,200	67,843	(11,643)
Total police	1,473,053	1,517,798	1,418,308	99,490
Fire				
Salaries	217,500	203,000	204,009	(1,009)
Payroll taxes	6,700	7,500	6,837	663
Fire fighters retirement	50,000	51,030	46,127	4,903
Insurance	41,400	33,470	34,119	(649)
Debt service	-	-	-	-
Training	-	-	-	-
Other	10,100	17,700	7,957	9,743
Total fire	325,700	312,700	299,049	13,651
Total public safety	1,798,753	1,830,498	1,717,357	113,141

CITY OF ST. GABRIEL, LOUISIANA
GENERAL FUND

SCHEDULE OF DEPARTMENTAL EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL

For the year ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - favorable (unfavorable)</u>
SOCIAL AND RECREATIONAL SERVICES				
Social services and recreation				
Salaries	\$ 47,300	\$ 15,000	\$ 15,075	\$ (75)
Payroll taxes	800	200	182	18
Municipal retirement	10,450	2,500	1,692	808
Insurance	2,600	2,020	-	2,020
Training	-	-	623	(623)
Vehicle fuel	500	250	(180)	430
Supplies	-	1,000	1,516	(516)
Other	4,000	4,000	10,247	(6,247)
Total social services and recreation	<u>65,650</u>	<u>24,970</u>	<u>29,155</u>	<u>(4,185)</u>
Senior center				
Salaries	65,400	65,400	65,725	(325)
Payroll taxes	4,200	4,200	3,829	371
Municipal retirement	6,930	6,930	5,528	1,402
Insurance	15,000	15,000	7,864	7,136
Vehicle	1,300	1,300	903	397
Supplies	-	1,100	368	732
Other	1,600	500	61	439
Total senior center	<u>94,430</u>	<u>121,930</u>	<u>84,278</u>	<u>37,652</u>
Youth camp	<u>16,500</u>	<u>12,200</u>	<u>9,373</u>	<u>2,827</u>
Total social and recreational services	<u>176,580</u>	<u>159,100</u>	<u>122,806</u>	<u>36,294</u>
ECONOMIC DEVELOPMENT	<u>-</u>	<u>-</u>	<u>250,000</u>	<u>(250,000)</u>
CAPITAL OUTLAY	<u>-</u>	<u>175,000</u>	<u>269,063</u>	<u>(94,063)</u>
Total expenditures	<u>\$ 4,617,433</u>	<u>\$ 5,053,028</u>	<u>\$ 5,119,473</u>	<u>\$ (66,445)</u>

**CITY OF ST. GABRIEL, LOUISIANA
CAPITAL PROJECTS FUND - MAJOR FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

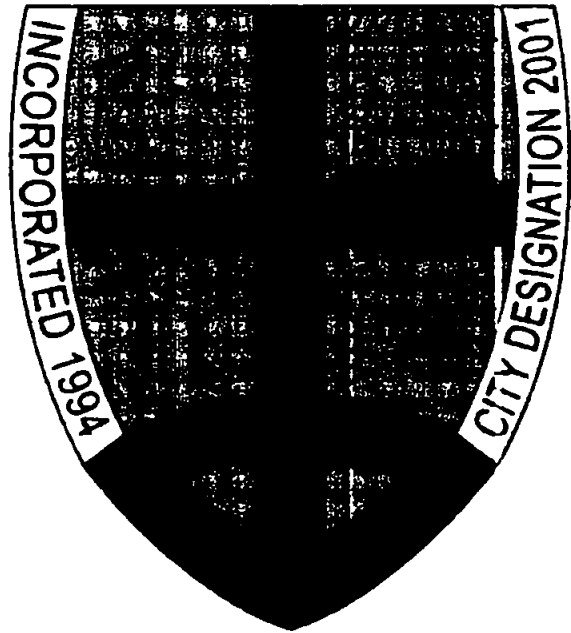
For the year ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - positive (negative)</u>
REVENUES				
Grant revenue - roads	\$ -	\$ 1,580,000	\$ 449,543	\$ (1,130,457)
Grant revenue - sewer	-	850,000	-	(850,000)
Interest	-	80	280	200
Total revenues	-	2,430,080	449,823	(1,980,257)
EXPENDITURES				
Current function:				
Streets and sanitation	-	-	183,138	(183,138)
Capital outlay	-	3,230,000	735,932	2,494,068
Total expenditures	-	3,230,000	919,070	2,310,930
Excess (deficiency) of revenues over expenditures	-	(799,920)	(469,247)	330,673
OTHER FINANCING SOURCES (USES)				
Transfers in	-	800,000	852,073	52,073
Proceeds from issuance of debt	-	8,830,000	8,830,000	-
Bond issuance costs	-	(185,817)	(164,802)	21,015
Bond discount	-	(432,115)	(432,115)	-
Total other financing sources (uses)	-	9,012,068	9,085,156	73,088
Excess (deficiency) of revenues and other financing sources over expenditures	\$ -	\$ 8,212,148	8,615,909	\$ 403,761
FUND BALANCE				
Beginning of year			-	
End of year			\$ 8,615,909	

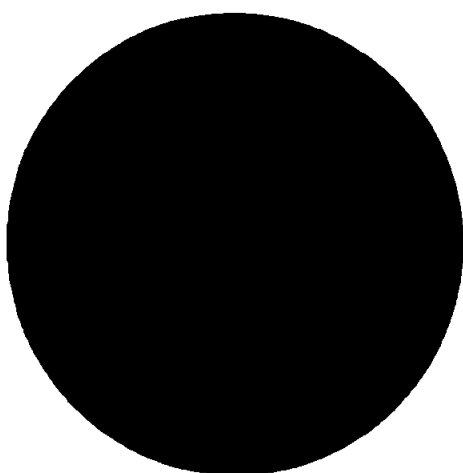
CITY OF ST. GABRIEL

2012

**For the fiscal
year ended
June 30th**



**Statistical
Section**



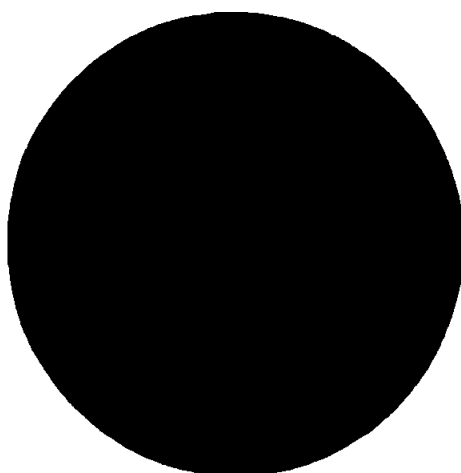
CITY OF ST. GABRIEL, LOUISIANA

STATISTICAL SECTION

June 30, 2012

This section, which is composed of accounting and non-accounting data, is presented in order to provide the reader with additional information as an aid to understanding the financial activities of the governmental unit.

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<u>Debt Capacity Information</u> - <i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future</i>		
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CITY OF ST. GABRIEL, LOUISIANA

NET ASSETS BY COMPONENT
LAST EIGHT FISCAL YEARS(accrual basis of accounting)
(in thousands)

	FISCAL YEAR							
	2012	2011	2010	2009	2008	2007	2006	2005
Governmental activities								
Invested in capital assets, net of related debt	\$ 2,850	\$ 2,332	\$ 2,465	\$ 2,365	\$ 2,452	\$ 2,147	\$ 1,886	\$ 2,197
Restricted	2,469	1,699	402	315	140	90	243	140
Unrestricted	705	820	2,480	2,227	1,236	1,438	1,299	524
Total governmental activities net assets	6,024	4,851	5,347	4,907	3,828	3,675	3,428	2,861
Business-type activities								
Invested in capital assets, net of related debt	6,024	5,187	5,355	5,561	5,744	5,879	5,922	5,770
Restricted	153	142	144	63	31	31	29	29
Unrestricted	(261)	(198)	(361)	(204)	(339)	(372)	(434)	(259)
Total business-type activities net assets	5,916	5,131	5,138	5,420	5,436	5,538	5,517	5,540
Primary government								
Invested in capital assets, net of related debt	8,874	7,519	7,820	7,926	8,196	8,026	7,808	7,967
Restricted	2,622	1,841	546	378	171	121	272	169
Unrestricted	444	622	2,119	2,023	897	1,066	865	265
Total primary government net assets	\$ 11,940	\$ 9,982	\$ 10,485	\$ 10,327	\$ 9,264	\$ 9,213	\$ 8,945	\$ 8,401

Information available for eight years

Due to GASB 54 prospectively taking affect during 2011, 2012 and 2011 amounts are not comparable to prior years

CITY OF ST. GABRIEL, LOUISIANA

CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS(accrual basis of accounting)
(in thousands)

	FISCAL YEAR							
	2012	2011	2010	2009	2008	2007	2006	2005
Expenses								
Governmental activities								
General government	\$ 2,213	\$ 2,570	\$ 1,815	\$ 1,892	\$ 1,889	\$ 1,139	\$ 1,560	\$ 1,060
Public safety	1,835	1,933	1,681	1,513	1,257	1,026	1,195	1,017
Streets and sanitation	1,358	1,717	2,098	1,265	1,291	1,046	1,314	917
Culture and recreation	655	783	890	712	855	1,105	913	653
Economic development	250	-	-	-	-	-	-	-
Interest on long-term debt	243	203	144	180	220	299	223	51
Total governmental activities	6,554	7,206	6,628	5,562	5,512	4,615	5,205	3,698
Business-type activities								
Waste water treatment facilities	906	922	1,071	802	976	973	1,005	889
Total business-type activities	906	922	1,071	802	976	973	1,005	889
Total primary government expenses	7,460	8,128	7,699	6,364	6,488	5,588	6,210	4,587
Program Revenues								
Governmental activities								
Charges for services								
General government	413	361	371	254	350	467	2,108	177
Public safety	418	485	580	624	610	117	182	175
Culture and recreation	18	13	17	11	13	17	18	13
Operating grants and contributions	96	73	314	26	463	310	147	-
Capital grants and contributions	450	90	-	-	-	7	-	284
Total governmental activities program revenues	1,395	1,022	1,282	915	1,436	918	2,455	649
Business-type activities								
Charges for Services								
Waste water treatment facilities	126	115	128	126	117	131	127	103
Capital grants and contributions	850	-	-	-	28	81	154	612
Total business-type activities program revenues	976	115	128	126	145	212	281	715
Total primary government total revenues	2,371	1,137	1,410	1,041	1,581	1,130	2,736	1,364

**CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS**

(accrual basis of accounting)
(in thousands)

	FISCAL YEAR							
	2012	2011	2010	2009	2008	2007	2006	2005
Net (expense)/revenue								
Governmental activities	\$ (5,158)	\$ (6,184)	\$ (5,346)	\$ (4,647)	\$ (4,076)	\$ (3,697)	\$ (2,750)	\$ (3,049)
Business-type activities	<u>70</u>	<u>(807)</u>	<u>(943)</u>	<u>(676)</u>	<u>(831)</u>	<u>(761)</u>	<u>(724)</u>	<u>(174)</u>
Total primary government net revenue (expense)	<u>(5,088)</u>	<u>(6,991)</u>	<u>(6,289)</u>	<u>(5,323)</u>	<u>(4,907)</u>	<u>(4,458)</u>	<u>(3,474)</u>	<u>(3,223)</u>
General Revenues and Other Changes in Net Assets								
Governmental activities								
Taxes:								
Property	2,708	2,500	2,388	2,357	2,359	2,058	2,487	2,404
Sales	3,704	2,871	2,851	2,480	1,676	1,730	697	835
Video Poker	584	560	593	577	625	640	597	530
Franchise	-	-	-	-	-	-	-	44
Other	40	48	40	44	54	45	43	41
Unrestricted grants and contributions	12	198	223	920	205	172	142	21
Investment earnings	1	2	1	4	26	49	11	5
Donation	-	-	350	-	-	-	-	-
Proceeds from insurance	15	310	-	-	-	-	-	-
Gain on sale of capital assets	29	-	-	-	100	-	-	-
Transfers to other funds	<u>(715)</u>	<u>(800)</u>	<u>(660)</u>	<u>(660)</u>	<u>(725)</u>	<u>(775)</u>	<u>(700)</u>	<u>(380)</u>
Total governmental activities general revenues	<u>6,378</u>	<u>5,689</u>	<u>5,786</u>	<u>5,722</u>	<u>4,320</u>	<u>3,919</u>	<u>3,277</u>	<u>3,500</u>
Business-type activities								
Unrestricted grants and contributions	-	-	-	-	4	5	2	-
Investment earnings	-	-	-	-	1	1	-	-
Special Item-loss	-	-	-	-	-	-	-	(60)
Transfers from other funds	<u>715</u>	<u>800</u>	<u>660</u>	<u>660</u>	<u>725</u>	<u>775</u>	<u>700</u>	<u>380</u>
Total business-type activities general revenues	<u>715</u>	<u>800</u>	<u>660</u>	<u>660</u>	<u>730</u>	<u>781</u>	<u>702</u>	<u>320</u>
Total primary government general revenues	<u>7,093</u>	<u>6,489</u>	<u>6,446</u>	<u>6,382</u>	<u>5,050</u>	<u>4,700</u>	<u>3,979</u>	<u>3,820</u>
Change in Net Assets								
Governmental activities	<u>1,220</u>	<u>(495)</u>	<u>440</u>	<u>1,075</u>	<u>244</u>	<u>222</u>	<u>527</u>	<u>451</u>
Business-type activities	<u>785</u>	<u>(7)</u>	<u>(283)</u>	<u>(16)</u>	<u>(101)</u>	<u>20</u>	<u>(22)</u>	<u>146</u>

CITY OF ST. GABRIEL, LOUISIANA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS

(accrual basis of accounting)

(in thousands)

Fiscal Year	Property Taxes	Sales Taxes	Video Poker fees	Franchise Taxes	Other Taxes	Total
2012	\$ 2,708	\$ 3,704	\$ 585	\$ -	\$ 40	\$ 7,037
2011	2,500	2,872	560	-	48	5,980
2010	2,388	2,851	593	-	40	5,872
2009	2,356	2,480	577	-	44	5,457
2008	2,358	1,676	625	-	54	4,713
2007	2,059	1,730	640	-	45	4,474
2006	2,485	697	597	-	43	3,822
2005	2,400	835	530	44	41	3,850
2004	1,301	823	515	130	41	2,810
2003	1,191	844	528	133	45	2,741

CITY OF ST. GABRIEL, LOUISIANA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

(modified accrual basis of accounting)
(in thousands)

<u>GENERAL FUND</u>					<u>ALL OTHER GOVERNMENTAL FUNDS</u>		
Fiscal Year	Nondisposable	Restricted	Unassigned	Total	Committed	Restricted	Total all other Governmental Funds
2012	\$ 109	\$ 1,618	\$ 789	\$ 2,516	\$ 170	\$ 8,777	\$ 8,947
2011	85	1,552	588	2,225	172	134	306

<u>GENERAL FUND</u>				<u>ALL OTHER GOVERNMENTAL FUNDS</u>			
Fiscal Year	Reserved	Unreserved	Total	Reserved*	Unreserved Reported in Special Revenue Funds	Unreserved Reported in Capital Project Funds	Total all other Governmental Funds
2010	\$ -	\$ 40	\$ 40	\$ -	\$ 2,813	\$ 41	\$ 2,854
2009	-	129	129	137	2,243	41	2,421
2008	-	90	90	139	1,172	-	1,311
2007	-	47	47	14	971	68	1,053
2006	-	560	560	6	700	139	845
2005	-	125	125	9	428	131	568
2004	-	184	184	-	318	40	358
2003	-	91	91	-	622	37	659

***Debt Service Funds**

All fund balances in Debt Service Funds are reserved to pay future debt service

NOTE:

Due to the implementation of GASB 54 on a prospective basis in 2011 and increases to beginning restricted net assets resulting from the application of existing accounting principles, the illustrated comparisons of the City's prior year government wide net assets and governmental fund balances presented will not represent actual changes

CITY OF ST. GABRIEL, LOUISIANA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

(modified accrual basis of accounting)
(in thousands)

	FISCAL YEAR			
	2012	2011	2010	2009
REVENUES				
Taxes	\$ 6,453	\$ 5,413	\$ 5,279	\$ 4,880
Intergovernmental	1,130	655	1,067	1,411
Licenses and permits	327	265	287	180
Fines	418	485	580	624
Miscellaneous revenues	160	385	166	205
Total revenues	<u>8,488</u>	<u>7,203</u>	<u>7,379</u>	<u>7,300</u>
EXPENDITURES				
Current				
General government	1,978	2,309	1,983	1,757
Public safety	1,717	1,842	1,657	1,555
Streets and sanitation	1,263	1,676	1,881	1,043
Culture and recreation	522	652	753	530
Economic development	250	-	-	-
Debt service				
Principal retirement	65	78	213	246
Interest and bank charges	199	195	238	207
Capital outlay	1,049	474	-	153
Total expenditures	<u>7,043</u>	<u>7,226</u>	<u>6,725</u>	<u>5,491</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,445</u>	<u>(23)</u>	<u>654</u>	<u>1,809</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Long-term debt proceeds	8,830	151	-	-
Bond issuance costs	(165)	-	-	-
Bond discount	(432)	-	-	-
Proceeds from insurance	15	310	-	-
Donation	-	-	350	-
Transfers in	1,377	719	2,995	2,411
Transfers out	(2,092)	(1,519)	(3,655)	(3,071)
Total other financing sources and uses	<u>7,533</u>	<u>(339)</u>	<u>(310)</u>	<u>(660)</u>
Net change in fund balances	<u>\$ 8,978</u>	<u>\$ (362)</u>	<u>\$ 344</u>	<u>\$ 1,149</u>
Debt service as a percentage of noncapital expenditures	4.4%	4.0%	6.7%	8.5%

Exhibit D-5
(Continued)

FISCAL YEAR					
2008	2007	2006	2005	2004	2003
\$ 4,088	\$ 3,834	\$ 3,225	\$ 3,320	\$ 2,295	\$ 2,213
1,262	1,300	2,566	828	1,247	853
208	169	197	139	127	106
610	117	181	174	23	9
212	189	231	68	32	50
<u>6,380</u>	<u>5,609</u>	<u>6,400</u>	<u>4,529</u>	<u>3,724</u>	<u>3,231</u>
1,957	1,423	1,552	1,054	958	897
1,380	1,117	1,092	1,240	793	741
1,238	969	1,255	830	718	779
687	819	706	603	232	312
-	-	-	-	-	-
168	490	245	134	133	19
220	299	235	51	41	6
6	-	160	1,254	4,464	1,424
<u>5,656</u>	<u>5,117</u>	<u>5,245</u>	<u>5,166</u>	<u>7,339</u>	<u>4,178</u>
<u>724</u>	<u>492</u>	<u>1,155</u>	<u>(637)</u>	<u>(3,615)</u>	<u>(947)</u>
300	-	-	-	-	-
-	65	401	1,167	3,725	1,100
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,311	1,909	1,462	2,107	1,352	1,273
<u>(3,036)</u>	<u>(2,684)</u>	<u>(2,162)</u>	<u>(2,487)</u>	<u>(1,670)</u>	<u>(1,573)</u>
<u>(425)</u>	<u>(710)</u>	<u>(299)</u>	<u>787</u>	<u>3,407</u>	<u>800</u>
<u>\$ 299</u>	<u>\$ (218)</u>	<u>\$ 856</u>	<u>\$ 150</u>	<u>\$ (208)</u>	<u>\$ (147)</u>
6.9%	15.4%	9.4%	4.7%	6.1%	0.9%

CITY OF ST. GABRIEL, LOUISIANA
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

(modified accrual basis of accounting)
(in thousands)

Fiscal Year	Property Taxes	Sales Taxes	Franchise Taxes	Other Taxes	Total
2012	\$ 2,708	\$ 3,704	\$ -	\$ 40	\$ 6,452
2011	2,500	2,872	-	42	5,414
2010	2,388	2,851	-	40	5,279
2009	2,356	2,480	-	44	4,880
2008	2,358	1,676	-	54	4,088
2007	2,059	1,730	-	45	3,834
2006	2,485	697	-	43	3,225
2005	2,400	835	44	41	3,320
2004	1,301	823	130	41	2,295
2003	1,191	844	133	45	2,213

CITY OF ST. GABRIEL, LOUISIANA
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year	Real Property	Personal Property	Public Service Property	Total Taxable Assessed Value	Total Direct Tax Rate - Millages	Estimated Actual Value	Ratio of Total Taxable Assessed Value to Total Estimated Actual Value*
2012	\$ 17,662,310	\$ 94,678,525	\$ 45,487,070	\$ 157,827,905	16.84	\$ 157,827,905	100%
2011	17,330,640	91,579,460	39,893,520	148,803,620	16.84	\$ 148,803,620	100%
2010	17,032,126	93,676,690	38,695,794	149,404,610	15.88	\$149,404,610	100%
2009	16,895,260	92,958,025	38,314,350	148,167,635	15.88	\$148,167,635	100%
2008	12,086,572	88,689,660	37,402,420	138,178,652	16.84	\$138,178,652	100%
2007	10,920,522	78,886,150	35,344,300	125,150,972	16.84	\$125,150,972	100%
2006	9,606,132	72,270,265	33,777,785	115,654,182	21.73	\$115,654,182	100%
2005	9,205,452	70,287,085	31,359,220	110,851,757	21.73	\$110,851,757	100%
2004	8,987,440	67,597,655	31,745,270	108,330,365	12.00	\$108,330,365	100%
2003	9,135,070	57,698,050	30,686,050	97,519,170	12.00	\$97,519,170	100%

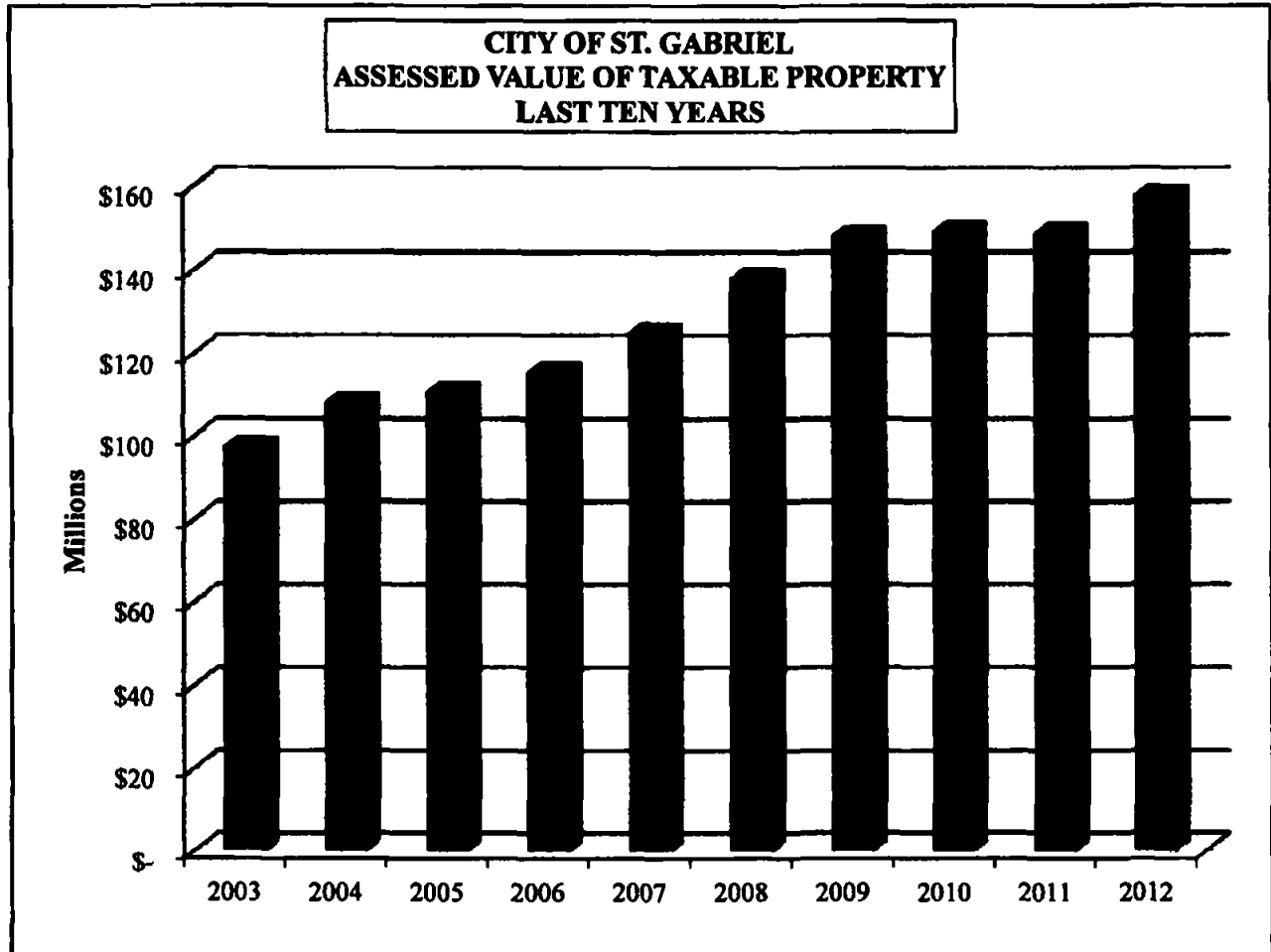
Source City of St. Gabriel

*Actual Valuation (Market Value) as Compared to Assessed Valuation

In Louisiana, the classification of property subject to ad valorem taxation and the percentage of fair market value applicable to each classification for the purpose of determining assessed value are as follows

Land	10%
Improvements for Residential	10%
Improvements for Commercial	15%
Business Movable Property (Personal)	15%
Public Service (Excluding Land)	25%

CITY OF ST. GABRIEL, LOUISIANA
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN CALENDAR YEARS



CITY OF ST. GABRIEL, LOUISIANA
PROPERTY TAX RATES AND TAX LEVIES
DIRECT GOVERNMENTS
LAST TEN CALENDAR YEARS

Fiscal Year	City of St. Gabriel		Overlapping Rates					Total Direct and Overlapping Rates
	Operating & Public Improvements	Total City Millage	Law Enforcement	School Board	Iberville Parish Government	Assessment District	Levee District	
2012	16.84	16.84	22.00	56.66	19.68	2.06	3.52	120.76
2011	16.84	16.84	22.00	56.66	21.18	2.06	3.67	122.41
2010	15.88	15.88	22.00	56.66	19.84	2.06	3.67	120.11
2009	15.88	15.88	22.00	56.66	19.84	2.06	3.67	120.11
2008	16.84	16.84	22.00	39.27	22.68	2.06	3.74	106.59
2007	16.84	16.84	22.00	39.27	22.68	2.06	3.74	106.59
2006	21.73	21.73	22.00	39.27	22.68	2.06	3.74	111.48
2005	21.73	21.73	22.00	39.27	22.68	2.06	3.74	111.48
2004	12.00	12.00	22.00	39.27	22.68	1.98	3.74	101.67
2003	12.00	12.00	22.00	39.27	22.68	2.06	3.74	101.75

The tax levies represent the original levy of the Assessor and exclude the homestead exemption amounts

All taxes are billed when assessment rolls are filed during the month of November of the current tax year. Taxes become delinquent on January 1 of the following year. Penalty for delinquent taxes is 1% per month. No discounts are allowed for taxes, and there is no provision for partial payments.

Source: Audited financial statements of each municipality shown above

CITY OF ST. GABRIEL, LOUISIANA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	Type of Business	2012			2003		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Entergy Gulf States	Energy	\$ 35,107,800	1	30.10%	\$ 40,216,400	2	22.92%
Syngenta Crop Protection	Chemical	26,455,910	2	22.68%	-	-	-
Cos Mar Company	Chemical	19,822,760	3	16.99%	14,900,240	5	8.49%
Mexichem Fluor Inc	Chemical	8,847,330	4	7.59%	-	-	-
Total Petrochemicals USA	Chemical	6,537,650	5	5.60%	-	-	-
Acadian Gas Pipeline Sys	Oil/Gas	4,391,171	6	3.76%	-	-	-
Marathon Petroleum	Oil/Gas	4,349,700	7	3.73%	-	-	-
Pioneer Americas, LLC	Chemical	3,904,130	8	3.35%	-	-	-
Tamirco Higher Amines	Chemical	3,823,751	9	3.28%	-	-	-
PCS Nitrogen Fertilizer	Chemical	3,399,929	10	2.91%	-	-	-
Dow Chemical Company	Chemical	-	-	-	61,410,640	1	35.00%
CIBA / Syngenta	Chemical	-	-	-	23,133,852	3	13.18%
Georgia Gulf Corporation	Chemical	-	-	-	16,724,380	4	9.53%
Pioneer Chlor Alkali	Chemical	-	-	-	4,030,070	7	2.30%
Shell Oil Company	Oil/Gas	-	-	-	4,029,730	8	2.30%
Big3/ ALAC	Chemical	-	-	-	3,648,230	9	2.08%
Exxon/Mobil	Chemical	-	-	-	3,239,315	10	1.85%
FINA Oil	Oil/Gas	-	-	-	4,132,200	6	2.35%
		<u>\$116,640,131</u>		<u>100.00%</u>	<u>\$ 175,465,057</u>		<u>100.00%</u>

Source: City of St. Gabriel and Iberville Parish 2003 CAFR

CITY OF ST. GABRIEL, LOUISIANA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

<u>Year</u>	<u>(1) Total Tax Levy</u>	<u>(1) Collections</u>	<u>Percent of Levy Collected</u>	<u>(1) Prior Year Tax Collections</u>	<u>(1) Total Tax Collections</u>	<u>Ratio of Total Collections to Tax Levy</u>
2012	\$ 2,657,822	\$ 2,615,673	98.41%	\$ 46,145	\$ 2,661,818	100.15%
2011	2,507,413	2,476,747	98.78%	22,838	2,499,585	99.69%
2010	2,387,528	2,381,105	99.73%	7,372	2,388,477	100.04%
2009	2,352,906	2,336,374	99.30%	20,492	2,356,866	100.17%
2008	2,326,928	2,321,256	99.76%	37,684	2,358,940	101.38%
2007	2,107,242	2,058,494	97.69%	39,444	2,097,938	99.56%
2006	2,489,824	2,486,589	99.87%	-	2,486,589	99.87%
2005	2,411,798	2,403,836	99.67%	-	2,403,836	99.67%
2004	1,299,964	1,297,281	99.79%	4,222	1,301,503	100.12%
2003	1,207,345	1,191,258	98.67%	-	1,191,258	98.67%

(1) City of St. Gabriel

CITY OF ST. GABRIEL, LOUISIANA

SALES TAX REVENUES
LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

<u>Fiscal Year</u>	<u>1% City Public</u>	<u>2% Public Infrastructure and Maintenance</u>	<u>Total</u>
2012	\$ 1,521,233	\$ 2,183,040	\$3,704,273
2011	1,059,487	1,812,069	2,871,556
2010	1,027,086	1,824,387	2,851,473
2009	814,745	1,665,155	2,479,900
2008	510,362	1,165,513	1,675,875
2007	497,608	1,232,889	1,730,497
2006	481,121	216,302	697,423
2005	555,562	281,094	836,656
2004	548,183	275,242	823,425
2003	488,671	355,278	843,949

The following is a summary of sales and use taxes being collected within the City of St. Gabriel as of June 30, 2012:

Iberville Parish School Board	2.00%
Parish of Iberville	2.67%
City of St. Gabriel	<u>1.00%</u>
Local Rate	5.67%
State Rate	<u>4.00%</u>
Total Rate	<u>9.67%</u>

The Parish of Iberville collects the 2.67% sales and use tax which is shared with certain municipalities on a pro-rata basis based on population. The City of St. Gabriel participates in the collection of 2% of this tax and is excluded from the .67% tax collected parishwide. The City began participating in the 2% sales and use tax in 2002.

Source. Iberville Parish Sales Tax Department

CITY OF ST. GABRIEL, LOUISIANA
TAXABLE SALES BY CATEGORY - GENERAL SALES AND USE TAX
LAST FIVE FISCAL YEARS (1)
(modified accrual basis of accounting)

Industry	FISCAL YEAR				
	2011	2010	2009	2008	2007
Manufacturer of chemicals	\$ 407,494,930	\$ 555,260,810	\$ 451,722,558	\$ 63,896,513	\$ 383,428,833
Industrial equipment sales	51,834,793	57,494,719	44,812,120	38,473,171	49,692,665
Motor vehicle dealers	56,985,901	47,570,749	49,300,031	43,511,789	55,019,311
Department stores & dry goods	37,965,471	37,657,428	39,397,302	35,155,751	38,075,149
Grocery stores	37,089,615	37,314,861	36,151,634	33,179,640	30,518,673
Lumber, building materials stores	21,085,725	21,878,034	28,460,909	23,271,228	25,975,932
Miscellaneous - others	<u>181,563,931</u>	<u>90,009,390</u>	<u>99,475,828</u>	<u>105,688,605</u>	<u>136,057,691</u>
	<u>\$ 794,020,366</u>	<u>\$ 847,185,991</u>	<u>\$ 749,320,382</u>	<u>\$ 343,176,697</u>	<u>\$ 718,768,254</u>

Source Relevant information was not available for the City of St. Gabriel Data presented is for the Iberville Parish Government

(1) Data not available for 2012 and 2006-2002

CITY OF ST. GABRIEL, LOUISIANA

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS(full accrual basis of accounting)
(in thousands, except per capita amount)

Fiscal Year	Governmental Activities Debt			Business-Type Debt		(1)	(2)	(2)
	Certificate of Indebtedness	Public Improvement Bonds	Capital Leases	Revenue Bonds	Total Primary Government	Percentage of Personal Income	Debt Per Capita	
2012	\$ -	\$ 12,914	\$ -	\$ 2,944	\$ 15,858	N/A	\$ 2	
2011	-	4,581	-	2,990	7,571	N/A	1	
2010	-	4,501	8	3,041	7,550	0.68%	1	
2009	183	4,556	61	3,126	7,926	0.77%	1	
2008	357	4,628	109	3,177	8,271	0.89%	1	
2007	773	4,679	173	3,250	8,875	1.03%	2	
2006	675	4,737	263	3,315	8,990	1.04%	2	
2005	828	4,559	284	3,368	9,039	1.10%	2	
2004	973	3,725	-	2,969	7,667	1.09%	1	
2003	1,100	-	-	1,947	3,047	0.71%	1	

(1) City of St. Gabriel

(2) Bureau of Economic Analysis for Iberville Parish Information for 2012 to 2011 is unavailable.

CITY OF ST. GABRIEL, LOUISIANA

COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

June 30, 2012
(in thousands)

<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>(2) Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
City direct debt	\$ 12,914	100%	\$ 12,914
<u>Overlapping -other government agencies (1):</u>			
Iberville Parish School Board (3)	\$ 47,205	38%	\$ 17,721
Iberville Parish Government (4)	20,581	38%	7,726
Total other government agencies	\$ 67,786		\$ 25,447
Total direct and overlapping			\$ 38,361
2012 population estimate			6,570
Per capita			\$ 5.839

(1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. The schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of St Gabriel. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(2) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the Parish's taxable assessed value that is within the City's boundaries and dividing it by the Parish's taxable assessed value.

(3) Source: 2011 general purpose financial statements

(4) Source: 2011 comprehensive annual financial report

CITY OF ST. GABRIEL, LOUISIANA
LEGAL DEBT MARGIN CALCULATION
LAST TEN FISCAL YEARS

<u>Year</u>	<u>Assessed Value</u>	<u>Any One Purpose</u>	<u>Aggregate All Purposes (1)</u>	<u>Debt Outstanding (2)</u>	<u>Legal Debt Margin</u>	<u>Legal Debt Margin to Aggregate Debt Limit</u>
2012	\$ 157,827,905	\$ 15,782,791	\$ 55,239,767	\$ -	\$ 55,239,767	0.00%
2011	148,896,250	14,889,625	52,113,688	-	52,113,688	0.00%
2010	149,404,610	14,940,461	52,291,614	-	52,291,614	0.00%
2009	148,167,635	14,816,764	51,858,672	-	51,858,672	0.00%
2008	138,178,652	13,817,865	48,362,528	-	48,362,528	0.00%
				-		
2007	125,150,972	12,515,097	43,802,840	-	43,802,840	0.00%
2006	114,580,102	11,458,010	40,103,036	-	40,103,036	0.00%
2005	110,989,362	11,098,936	38,846,277	-	38,846,277	0.00%
2004	108,330,365	10,833,037	37,915,628	-	37,915,628	0.00%
2003	97,519,170	9,751,917	34,131,710	-	34,131,710	0.00%

Source: City of St Gabriel Financial Reports

- (1) Legal debt limit is 35% of the total assessed value of taxable property (10% of the assessed value of taxable property for any one purpose)
- (2) There was no indebtedness secured by ad valorem taxes

CITY OF ST. GABRIEL, LOUISIANA

PLEDGED REVENUE COVERAGE

LAST TEN FISCAL YEARS

(full accrual basis of accounting)

SCHEDULE A - REVENUE BONDS-SALES TAX-CIVIC CENTER OPERATION FUND

Year	(1) Gross Revenue	Expenses	Available for Debt Service	(4) Debt Service Requirements			Coverage
	Principal			Interest	Total		
2012	\$ 1,521,233	\$ -	\$ 1,521,233	\$ 65,035	\$ 199,194	\$ 264,229	5.76
2011	1,059,487	-	1,059,487	70,699	202,445	273,144	3.88
2010	978,468	-	978,468	55,406	208,738	264,144	3.70
2009	814,745	-	814,745	53,039	211,105	264,144	3.08
2008	510,362	230	510,132	50,772	213,372	264,144	1.93
2007	497,608	-	497,608	48,603	215,541	264,144	1.88
2006	481,121	-	481,121	-	-	-	-
2005	555,562	-	555,562	-	-	-	-
2004	548,183	-	548,183	-	-	-	-

SCHEDULE B - REVENUE BONDS - SEWER REVENUES - SEWER FUND

Year	(2) Gross Revenue	(3) Expenses	Available for Debt Service	(5) Debt Service Requirements			Coverage
				Principal	Interest	Total	
2012	\$ 975,842	\$ 494,989	\$ 480,853	\$ 45,492	\$ 132,376	\$ 177,868	2.70
2011	915,004	510,690	404,314	43,498	135,258	178,756	2.26
2010	788,437	655,286	133,151	73,842	135,392	209,234	0.64
2009	786,266	414,091	372,175	70,520	138,388	208,908	1.78
2008	846,364	571,902	274,462	72,277	136,018	208,295	1.32
2007	912,094	566,586	345,508	64,632	144,065	208,697	1.66
2006	828,665	588,526	240,139	53,714	167,466	221,180	1.09
2005	482,744	533,440	(50,696)	44,472	167,321	211,793	(0.24)
2004	434,170	321,693	112,477	41,834	89,538	131,372	0.86
2003	415,879	409,150	6,729	16,373	80,801	97,174	0.07

- 1 City of St. Gabriel 1% sales and use tax
- 2 Sewer revenues and transfers from other tax funds
- 3 Total expenses less payments toward debt service and depreciation
- 4 The City began retiring this debt in 2007
- 5 The City began retiring this debt in 2002

CITY OF ST. GABRIEL, LOUISIANA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS

Year	(1) Iberville Parish Population	(1) City of St. Gabriel Population	(2) Personal Income (In Thousands)	(2) Per Capita Personal Income	(3) Unemployment Rate	(4) Labor Market Area Unemployment Rate
2012	32,505	6,570	1,206,748	37,125	10.7	8.7
2011	33,387	6,700	1,169,346	35,024	11.6	8.4
2010	33,387	6,677	1,102,353	33,042	10.4	8.5
2009	32,505	5,546	1,035,320	31,851	9.8	7.4
2008	32,899	5,583	1,001,084	30,429	7.8	4.8
2007	32,915	5,572	933,897	28,373	5.3	4.6
2006	32,885	5,605	860,732	26,174	4.8	4.8
2005	32,180	5,534	824,645	25,626	7.9	6.2
2004	32,332	5,560	741,599	22,937	8.8	7.1
2003	32,734	5,586	703,061	21,478	8.4	8.0

Source

- (1) U.S. Department of Commerce, Bureau of the Census. 2011 data not available
- (2) Bureau of Economic Analysis, information is for Parish of Iberville, information for 2012 and 2011 not available. 2012 and 2011 are estimates based on year over year increase in prior years
- (3) Louisiana Workforce Commission, Research and Statistics Division, information is for Parish of Iberville
- (4) U.S. Department of Labor, Bureau of Labor Statistics

CITY OF ST. GABRIEL, LOUISIANA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Employer	2012 (1)	
	Number of Employees	Percent of Total
The Dow Chemical Co.	1,500	35.39%
Iberville Parish School Board	675	15.92%
Georgia Gulf	370	8.73%
Syngenta	340	8.02%
Hebert Brothers General Contractors	300	7.08%
Iberville Parish Council	270	6.37%
Total Petrochemicals	244	5.76%
Wal-Mart	220	5.19%
Olin Chlor Alkali Products	160	3.77%
Shintech	160	4%
	4,239	100.00%

(1) Data for 2003, or nine years ago, was not available

CITY OF ST. GABRIEL, LOUISIANA
FULL-TIME EQUIVALENT CITY EMPLOYEES
BY FUND/DEPARTMENT
LAST TEN FISCAL YEARS

	Full-time Equivalent Employees Allotted in Annual Budget									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Government	12	12	13	12	12	11	13	13	13	14
Police Department	25	22	22	21	21	18	17	15	15	14
Fire Department	7	8	7	10	7	5	6	7	7	7
Street Maintenance	26	19	11	15	9	15	17	17	17	16
Building	6	3	3	4	6	1	1	1	1	1
Social Services	3	3	3	3	7	6	8	12	12	12
Sewer	4	7	7	9	9	9	8	7	7	7
Civic Center	4	6	8	8	5	8	8	-	-	-
Code Enforcement	4	7	4	4	2	-	-	-	-	-
Total employees	91	87	78	86	78	73	78	72	72	71

Source City of St. Gabriel

CITY OF ST. GABRIEL, LOUISIANA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	FISCAL YEAR									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Function:										
Public Safety										
Police:										
Physical arrests	77	156	148	113	135	148	183	94	166	189
Traffic violations	2,253	4,144	3,867	4,160	4,067	780	1,213	1,167	N/A	N/A
Public Works:										
Building Permits										
Residential (new)	161	50	34	17	26	78	N/A	N/A	N/A	N/A
Commercial	22	4	5	7	31	22	N/A	N/A	N/A	N/A
Transportation:										
Parish street maintenance program:										
Number of miles maintained	17	17	17	17	17	17	17	17	17	17
Number of bridges	5	4	4	4	4	4	4	4	4	4
Sanitation:										
Wastewater:										
Number of users	793	789	751	690	688	348	343	339	210	212
Monthly flat fee	\$15	\$15	\$15	\$15	\$15	\$15	\$15	\$15	\$15	\$15
Drainage:										
Miles of drainage ditches maintained	35	35	35	35	35	35	35	35	35	35
Culture-Recreation										
Parks										
Number of parks maintained	4	4	4	4	4	4	4	4	3	3

Source: City of St. Gabriel Government and www.city-data.com

Traffic violation information not available for 2004 to 2003.

Permit information not available for 2006 to 2003

CITY OF ST. GABRIEL, LOUISIANA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

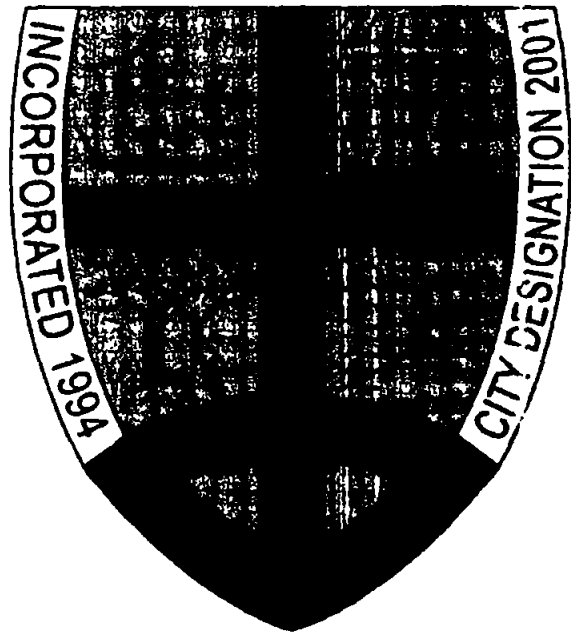
Major Programs	FISCAL YEAR									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Government.										
Number of general government buildings	3	3	3	3	3	3	2	1	1	1
Number of vehicles	13	12	12	11	11	5	5	5	5	5
Public Safety:										
Police.										
Number of vehicles	28	25	21	19	15	15	17	17	14	13
Number of stations	1	1	1	1	1	1	1	1	1	1
Fire										
Number of stations	3	3	3	3	3	3	3	3	3	3
Number of vehicles	3	3	3	3	3	3	3	3	3	3
Streets and Sanitation										
Number of vehicles	22	22	22	22	22	20	19	19	19	17
Miles of streets	17	17	17	17	17	17	17	17	17	17
Number of bridges	4	4	4	4	4	4	4	4	4	4
Sewer										
Number of sanitary sewer systems	3	3	3	3	3	3	3	3	2	2
Culture and Recreation										
Number of parks	4	4	4	4	4	4	4	4	3	3
Number of community centers	1	1	1	1	1	1	1	1	0	0
Number of vehicles	10	8	8	8	8	8	8	8	8	8

Source: City of St. Gabriel

CITY OF ST. GABRIEL

2012

**For the fiscal
year ended
June 30th**



**Special Independent
Auditors' Reports**

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS**

To the Honorable Mayor and
City Council Members
City of St. Gabriel, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the City of St. Gabriel, Louisiana, as of and for the year ended June 30, 2012, which collectively comprise the City of St. Gabriel, Louisiana's basic financial statements and have issued our report thereon dated December 31, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the City of St. Gabriel, Louisiana is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City of St. Gabriel's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of St. Gabriel, Louisiana's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of St. Gabriel, Louisiana's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employee, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting, [2012-1 and 2012-2]. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

As part of obtaining reasonable assurance about whether the City of St. Gabriel's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have had a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not the objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*

This report is intended for the information of the City Council, management of the City of St. Gabriel, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.

Postthruait & Methods

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

To the Honorable Mayor and Members
of the City Council
City of St. Gabriel, Louisiana

Compliance

We have audited City of St. Gabriel, Louisiana's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of City of St. Gabriel, Louisiana's major programs for the year ended June 30, 2012. The City of St. Gabriel's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of City of St. Gabriel's management. Our responsibility is to express an opinion on City of St. Gabriel's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of St. Gabriel's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of City of St. Gabriel's compliance with those requirements.

In our opinion, City of St. Gabriel complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

Management of City of St. Gabriel, Louisiana is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered City of St. Gabriel's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of St. Gabriel's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The purpose of this report is solely to describe the scope of our testing of compliance with the types of compliance requirements applicable to each of the City of St. Gabriel's major programs and our testing of internal control over compliance and the results of our testing, and to provide an opinion on the City of St. Gabriel's compliance but not to provide an opinion on the effectiveness of the City of St. Gabriel's internal control over compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of St. Gabriel's compliance with requirements applicable to each major program and its internal control over compliance. Accordingly, this report is not suitable for any other purpose.

Postthathat + Mettardly

Gonzales, Louisiana
December 31, 2012

CITY OF ST. GABRIEL
CITY OF ST. GABRIEL, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

Federal Grantor/ Pass-Through Grantor Name/ Program Title	CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<u>United States Department of Housing and Urban Development</u>			
Passed through the Louisiana Community Development Block Program:			
Community Development Block Grant	14 228	B-07-DC-22-0001	<u>850,000</u>
Total United States Department of Housing and Urban Development			<u>850,000</u>
Total Federal Assistance Expended			<u>\$ 850,000</u>

See auditor's report.

CITY OF ST. GABRIEL, LOUISIANA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal award activity of City of St. Gabriel as is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Reconciliation of Federal Expenditures to the Financial Statement

Federal grant expenses are reported on	
the Proprietary Fund Statement of Net Assets	<u>\$ 850,000</u>
Federal assistance expended as reported on	
the Schedule of Expenditures of Federal Awards	<u>\$ 850,000</u>

CITY OF ST. GABRIEL, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2012

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued: Unqualified

Internal Control over Financial Reporting:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ☒ yes ☐ none reported

Noncompliance material to financial statements noted?

☐ yes ☒ no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(s) identified that are not considered to be material weaknesses? ☐ yes ☒ none reported

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of Circular A-133?

☐ yes ☒ no

Identification of Major Program:

CFDA Number
14.228

Name of Federal Program
Community Development Block Grant

- The threshold for distinguishing types A & B programs was program expenditures exceeding \$300,000.
- The City did not qualify as a low-risk auditee

CITY OF ST. GABRIEL, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2012

B. FINDINGS – FINANCIAL STATEMENT FINDINGS

2012-1 Delinquent Sewer Accounts

Condition: As reported in previous audit findings, the City has a significant amount of unpaid and delinquent sewer utility service receivables. Additionally, certain delinquent balances were reported as owed by some City employees. Furthermore, the City was not timely filing sworn statements on delinquent accounts with the Parish clerk of court. Finally, all customer receivable adjustments were approved by the City Clerk.

Criteria: Sewer Fees should be collected timely to avoid delinquent status.

Effect: Efforts in collecting fees for sewer services have not been successful.

Cause: The City does not have adequate controls in place to effectively monitor the billing and collections of unpaid accounts.

Recommendation: The City should consider implementing the Legislative Auditor's recommendations.

Management's corrective action plan: The City continues to be diligent with efforts associated with collecting fees for providing sewer services; however, the desired results have not been achieved, which is the ultimate collection of the delinquent receivables.

2012-2 Segregation of Duties

Condition: There is inadequate segregation of duties within the City's accounting department. The following was observed:

- Individuals who process bills are not independent of the collection function.
- An individual who prepares deposits also maintains the cash receipts ledger and posts entries to the general ledger.

Criteria: Segregation of duties should be adequate within the City's accounting department to provide effective internal control.

Effect: The segregation of duties is inadequate to provide effective internal control over collections

Cause: The City's staff is insufficient to properly segregate duties within the accounting department.

Recommendation: The City has an independent CPA firm to assist its accounting department. We found that duties are divided between the CPA firm and the City personnel so that internal controls are enhanced. However, it is still noted that the City's size may make it unfeasible to adequately staff an accounting department with sufficient segregation of duties.

Management's corrective action plan: Management concurs with this finding and continues to pursue adequate segregation of duties.

CITY OF ST. GABRIEL, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2012

C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

CITY OF ST. GABRIEL, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2012

A. FINDINGS – FINANCIAL STATEMENT AUDIT

2011-1 Legislative Audit Advisory Services Report (Resolved)

Observation: No similar findings were reported in the current year.

2011-2 Delinquent Sewer Accounts

Observation: This matter has been reclassified to Item 2012-1.

2011-3 Segregation of Duties

Observation: This matter has been reclassified to Item 2012-2.

2011-4 Purchase of Prior Retirement Services

Observation: No similar finding was reported in the current year.

2011-5 Unauthorized/Unapproved Payroll

Observation: No similar finding was reported in the current year.

2011-6 Financial Reporting

Observation: No similar finding was reported in the current year.

2011-7 Public Bid Law

Observation: No similar finding was reported in the current year.

2011-8 Budget Law

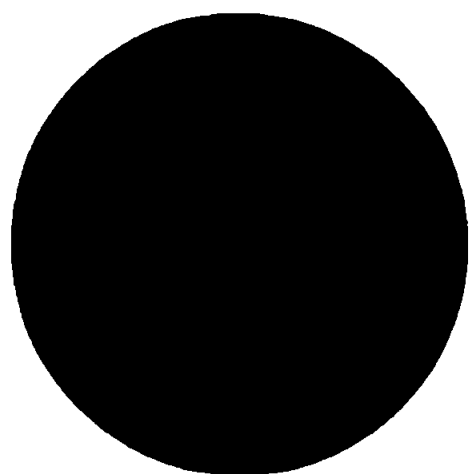
Observation: No similar finding was reported in the current year.

2011-9 Audit Law

Observation: No similar finding was reported in the current year.

B. FINDINGS – COMPLIANCE

None



SPECIAL ACKNOWLEDGEMENTS

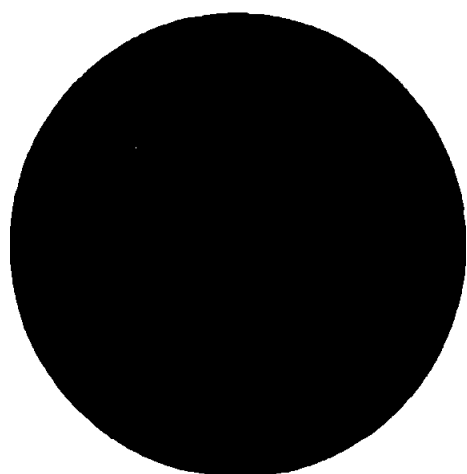
**Leman Raphael
City Clerk**

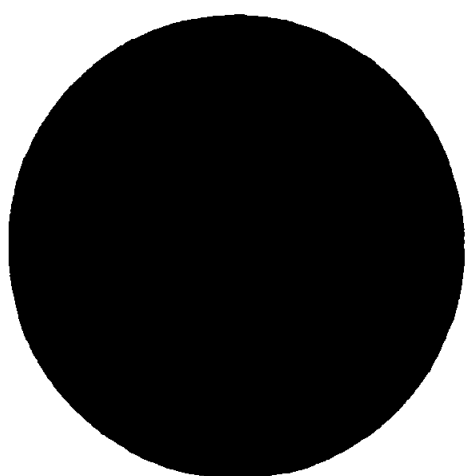
**Tammy Phillips
Finance Director**

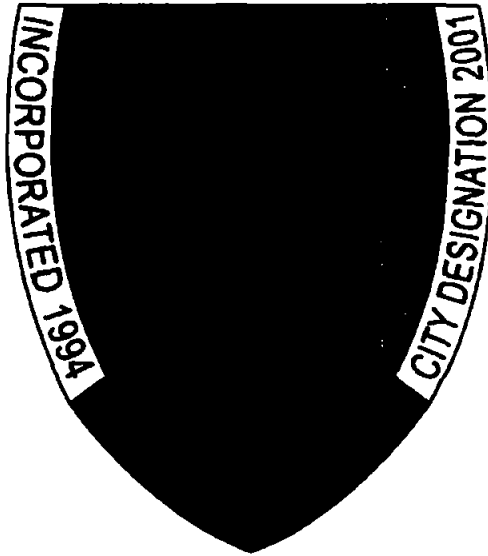
**Linda Gibson
Accountant**

**Bianca Stewart
Accountant**

**Janet Madison
Police Department Manager**







CITY OF ST. GABRIEL OFFICIALS

LIONEL JOHNSON, JR., MAYOR

CITY COUNCIL MEMBERS

FREDDIE C. FRAZIER, SR.

RALPH JOHNSON, SR.

DEBORAH R. ALEXANDER

MELVIN HASTEN, SR.

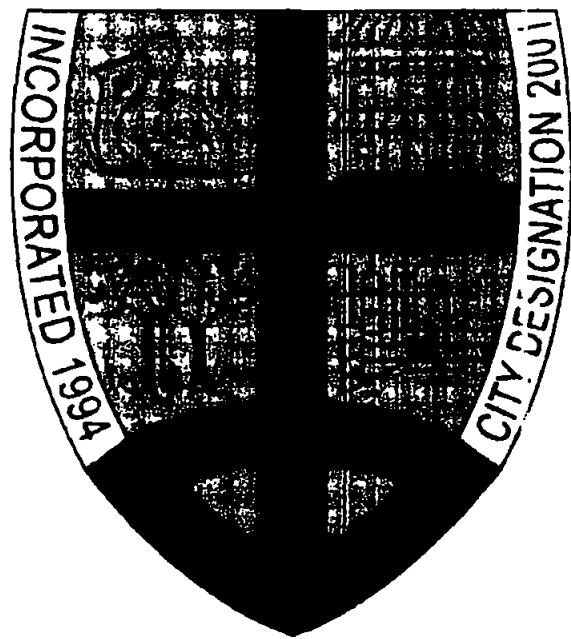
FLORA J. DANIELFIELD

KEVIN AMBEAU, SR., CHIEF OF POLICE

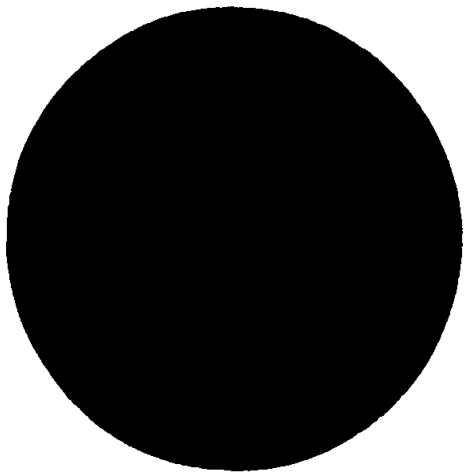
CITY OF ST. GABRIEL

2012

**For the fiscal
year ended
June 30th**



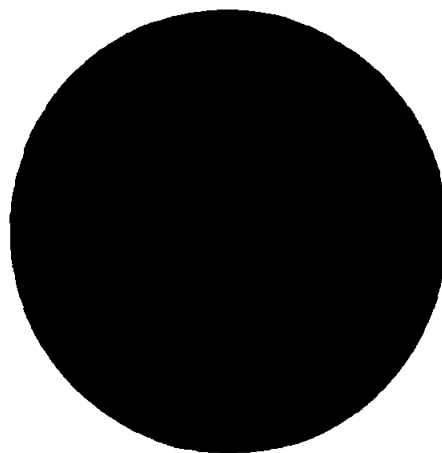
Comprehensive Annual Financial Report



COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF ST. GABRIEL, LOUISIANA

For the fiscal year ended June 30, 2012



Prepared by

**City of St. Gabriel
Finance Department**